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## Reagan Questions Yalta Split

Denies U.S. Consents to Subjugation

By Stephen Engelberg

WASHINGTON — President Ronald Reagan has said that "passively accepting the permanent subjugation of the people of Eastern Europe is not an acceptable alternative."

Mr. Reagan, speaking Friday at a White House luncheon commemorating the 40th anniversary of the Warsaw uprising against Nazi occupation forces, also said that the United States "rejects any interpretation of the Yalta agreement that suggests American consent for the division of Europe into spheres of influence."

The 1945 agreement, signed at the Crimean resort of Yalta by the Soviet Union, Britain and the United States, dealt with issues related to the imminent defeat of Nazi Germany. Among other points, it called for free elections in nations liberated from the Nazis.

The agreement set the stage for Soviet control of Eastern Europe and the Cold War. The Yalta pact has long been criticized by American conservatives as a betrayal of U.S. interests.

Mr. Reagan, in his interpretation, said he favored "full compliance" with the Yalta agreement, specifically its stipulation of free elections.

"We see that agreement as a pledge by the three great powers to restore full independence, and to allow free democratic elections in all countries liberated from the Nazis after World War II," he said.

"There is no reason to abrogate the Soviet Union or ourselves from this commitment."

A White House official said that several other officials had previously objected to "misinterpretation" of the Yalta agreement. He noted that Vice President George Bush had said in a speech last year in Vienna that "we recognize no lawful division of Europe."

In his luncheon speech to about 125 Polish-Americans and veterans of the Polish Home Army, the underground force that fought in Warsaw, Mr. Reagan once again attempted to use humor in his battle of words with the Soviet Union.

He told a story about an American and a Soviet citizen who were discussing freedom of speech. Mr. Reagan quoted the Russian as saying, "Well, we're free to speak in the Soviet Union just like you are in the United States. The only difference is, you're free after you speak."

On Aug. 11, a Reagan joke about outlawing and bombing the Soviet Union, made during a microphone check for the president's weekly radio broadcast, provoked controversy in the United States and abroad.

Mr. Reagan criticized on Friday people who "seem all too willing to turn a blind eye to Soviet transgressions, ostensibly to improve the dialogue between East and West."

"But those who condemn firm support for freedom and democracy — who in order to prove their sincerity would project weakness — are no friends of peace, human liberty or meaningful dialogue," he said.

Larry Speakes, the White House spokesman, would not say whom the president had in mind.

Walter F. Mondale, Mr. Reagan's Democratic opponent in the presidential race, has said that he would support a freeze on nuclear weapons and would immediately open arms talks with the Soviet Union if elected.

Mr. Reagan depicted economic sanctions, applied against Poland after the imposition of martial law in December 1981, as evidence that his administration had not reneged on its promises.

The sources, who asked that they not be identified, said Saturday that military intelligence showed one Tamil separatist was coming by boat from India and further attacks on police stations in the north were expected.

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Tamil guerrillas fighting for a free state for the Sinhalese majority on the island of 15 million people began a renewed separatist drive on Aug. 4.

The sources said the special police force given to the military under the emergency were also needed to prevent any backlash against Tamils in Sinhalese areas. About 400 people, mainly Tamils, died in riots a year ago after rebels killed 13 Sinhalese soldiers.

Under the constitution, the state of emergency, which was first imposed in May last year to prevent violence after parliamentary and local elections, can be extended monthly.

Sri Lankan television reported Friday that the national security minister, Lalith Athulathudeni, had urged a class of graduating air force cadets not to use their weapons for what he called personal purposes.

Television showed films of a unit formerly assigned to guard air



Geraldine A. Ferraro, the Democratic vice-presidential candidate, and her husband, John A. Zaccaro, second from right, leaving the office of their accounting firm in New York.

## Ferraro and Husband Plan to Pay About \$50,000 in U.S. Back Taxes

Compiled by Our Staff From Dispatches

NEW YORK — The vice-presidential campaign of Representative Geraldine A. Ferraro, Democrat of New York, has announced that she and her husband will pay the Internal Revenue Service about \$50,000 in back taxes, penalties and interest.

Ms. Ferraro also announced Saturday that her husband, John A. Zaccaro, had agreed to release his income tax returns on Monday.

The back payment of taxes stems from an accountant's miscalculation of the profits from a 1978 real estate sale made by Ms. Ferraro to help finance her first campaign for the U.S. Congress. The underpayment was discovered when the couple's tax returns were reviewed.

The underpayment was acknowledged after Newsweek magazine reported that Ms. Ferraro and Mr. Zaccaro might have to pay as much as \$250,000, including interest and penalties, because of the 1978 error.

Newsweek said the underpayment resulted from an estimate by the family's former accountant that Ms. Ferraro made a \$75,000 profit in the sale of a commercial building

in New York. The new accountant, Arthur Young Inc., discovered that the actual profit was \$137,500, Newsweek said.

Patricia Y. Bario, Ms. Ferraro's press secretary, said the underpayment was inadvertent and would be explained in Monday's disclosure. Although Mrs. Bario was uncertain of the exact size of the additional payment, she called the \$250,000 estimate "judicious" and said that the amount involved was one-fifth to one-quarter of that figure.

Earlier Saturday, Mr. Ferraro had announced that her husband, a real estate investor, would release his income tax returns from the time she entered Congress in 1979.

A senior aide to Ms. Ferraro said Saturday that Mr. Zaccaro was hesitant to release his returns because they would reveal the names of investors in several limited real-estate partnerships and that Mr. Zaccaro was worried that future investors would be deterred by the knowledge that their names could be made public in the future.

In Kansas City, Missouri, Walter F. Mondale, the Democratic presidential nominee, praised Mr. Zaccaro's change of heart, and said, "I am proud of Geraldine Ferraro. I

have absolutely and utterly no doubt about her honesty, and her whole record stands for that."

Mr. Ferraro and Mr. Zaccaro have been besieged by questions about their finances since she announced Aug. 12 that her husband had refused to release his tax returns. She had pledged last month that both their tax returns would be released.

The vice-presidential candidate, who has said in the past week that she disagreed with her husband's refusal to do so, noted that the release of both their income tax returns "goes beyond the requirements of the law." Ms. Ferraro said she would release other financial data: about income holdings and liabilities as required of a vice-presidential nominee.

Candidates for president and vice president are not required to make public their income tax returns or those of their spouses.

"We are hoping the American public will be satisfied," Mr. Ferraro said in a television interview on Sunday. "I think we'll get through this." (LAT, NYT, AP)

**Zaccaro Loan Reported**  
 Peter Kerr of The New York Times reported from New York: Mr. Zaccaro borrowed \$100,000 from an elderly woman whom a court had appointed him to protect and lent the money to his real estate company, his attorney said late Saturday.

He repaid the loan with interest after a year, according to the lawyer, Morton Pomeroy, a member of the New York City Council. While Mr. Zaccaro broke no law by taking the loan, Mr. Pomeroy said he told Mr. Zaccaro that he had acted improperly in using the money in his real estate business.

"There is an ethical prohibition known to lawyers: You don't do that," Mr. Pomeroy said.

Mr. Pomeroy said Mr. Zaccaro had not known that the loan was improper and intended no wrongdoing. Mr. Zaccaro repaid the loan with interest at a rate of 12 percent a year to Alice Phelan, 84, who had been declared incompetent to handle her financial affairs.

"The thing I stress is Zaccaro has not been found to do anything wrong," Mr. Pomeroy said.

The New York Daily News in Sunday's edition reported that Jonathan Weinstein, a court referee who audited Mr. Zaccaro's dealings with the woman's estate earlier this year, questioned the propriety of the loan. A hearing is scheduled on the matter Thursday.

Mr. Zaccaro was appointed conservator of the estate in December 1982 because he had a reputation as a responsible and successful business executive. In March 1983, Mr. Pomeroy said, Mr. Zaccaro lent

the money to his real estate company, his attorney said late Saturday.

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## Reagan Lays Out Party Line

His Strategists Struggle to Live The Convention

By Howell Raines

DALLAS — As Republicans gathered here for their party's 33d national convention, President Ronald Reagan used his weekly radio address to lay down the battle lines of the U.S. election campaign.

Mr. Reagan said that voters faced a "historic choice" between the economic policies and Walter F. Mondale's program of "higher taxes, more bureaucracy and a bigger welfare state."

The president spoke from the White House, where he is polishing the acceptance address he is to deliver here Thursday night. He provided an advance glimpse of that speech's theme as he contrasted the Democrats' economic agenda of "gloom and doom" with what he called the "new patriotism" offered by the Republicans.

"In 1984 we face an historic choice," Mr. Reagan said in the five-minute broadcast on Saturday.

"Will we heed the pessimists' agenda of higher taxes, more bureaucracy and a bigger welfare state leading us right back to runaway inflation and economic decay, or will we continue on our new road toward a true opportunity society of economic growth, more jobs, lower tax rates and rising take-home pay?"

As Mr. Reagan unlimbered his conservative oratory in Washington, his campaign strategists in Dallas struggled to find ways to inject elements of drama and suspense into the four-day meeting, which opens Monday and which they openly refer to as a "coronation."

"The Republican leadership was struggling to contain, within the bounds of political prudence, the spirit of confidence engendered among elected officials and the convention's 2,235 delegates by public opinion polls that show Mr. Reagan in position for an electoral landslide."

A Gallup Poll released Saturday found that Mr. Reagan led Mr. Mondale among registered voters by 52 to 41 percent, with 7 percent undecided.

Having brushed back attempts last week by liberals and moderates to modify the conservatism of the party's platform document, the president's political managers prepared to dispense with one final, minor challenge: a reapportionment plan to give the Northeastern and Midwestern states a larger share of the delegates at the 1988 convention.

The attention to such details of party procedure points up the poverty of suspense at this convention as its planners try to figure out a way to attract a national television audience for four nights.

Stage managers for the convention moved on several fronts over the weekend to enliven the proceedings by, among other things, dividing the traditional keynote address into several speeches.

That decision led to the unusual step of assigning a Democrat, Jeane Kirkpatrick, the representative to the United Nations, to deliver the main political speech on Monday night in praise of Mr. Reagan's economic program and his foreign policy.

The job of sounding the party's political battle cry normally falls to the keynote speaker. But for Monday, the official keynoter, Katherine Ortega, the treasurer of the United States, has been assigned a different task.

Re-election strategists, eager to

showcase the party's economic program and his foreign policy.

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A sailor watches a U.S. Navy helicopter begin a sonar sweep of a section of the Gulf of Suez in search of mines.

## Missile Hits Gulf Tanker, Second Attack in 4 Days

By Judith Miller

New York Times Service

CAIRO — A fully loaded Panamanian oil tanker was struck by a missile in the Gulf on Saturday, the second attack on a vessel in the same area in four days.

Neither Iraq nor Iran claimed responsibility for the attack, which did not seriously damage the ship and apparently caused no casualties.

On Wednesday two unidentified planes fired rockets at a Pakistani tanker in the Gulf, but missed.

A shipping company executive in the port of Ras Tanura, Saudi Arabia, told The Associated Press there was "no doubt" in his mind the two attacks were carried out by Iran. He and other shipping sources suggested that they were in retaliation for an Iraqi attack on a Greek ship Aug. 7.

Iraq, which has been at war with Iran since September 1980, began attacking shipping in the northern Gulf earlier this year in an effort to cut Iran's oil income. The attacks, which were often followed by Iranian retaliatory strikes against other vessels, were most numerous in May and June. The Iraqi attack Aug. 7 was the first in a month.

Also Sunday, two Soviet mine-sweepers sailed into the Red Sea as unfavorable weather conditions slowed operations by Egyptian, British and U.S. mine-clearing ships in the Gulf of Suez, Reuters said.

(Continued on Page 2, Col. 5)

## Pakistan Says Afghans Killed 18 in Shelling

The Associated Press

ISLAMABAD, Pakistan — Eighteen people were killed Saturday in an Afghan army artillery attack on Pakistani territory, Pakistan Sunday reported.

According to Pakistani figures, the shelling raised the death toll in a week of border violations to 33.

The Pakistani government had initially reported two people dead and four injured in Saturday's attack at Teri Mangal, near the border town of Parachinar in northern Pakistan.

But on Sunday, the Foreign Ministry, citing news reports from the area, reported 16 more deaths. In addition, it said, 11 people were wounded. Most of the victims were identified as Afghan refugees.

The report was the latest of a weeklong series of Pakistani accusations of border violations in the area. It followed two reports of attacks in which 15 civilians were said to have been killed.

In addition, the Pakistani authorities said Saturday that an Afghan warplane had penetrated its airspace and dropped several bombs before turning back. The attack caused no casualties, they said.

The Foreign Ministry spokesman said Sunday that the Afghan Embassy's charge d'affaires in Islamabad, Shafiq Fozad, had been summoned for the fourth time in a week. He was given a protest letter.

Mr. Fozad was told that Pakistan takes a "serious view of such instances," and could not be held "responsible for the consequences."

5 Thai Troops Die in Ambush

The Associated Press

BANGKOK — Five Thai troops were killed and 10 other people, including a civilian, wounded Saturday when Communist insurgents attacked an army truck during a routine patrol in Surat Thani province in southern Thailand, provincial police said Sunday.

Pakistan denies the claim that guerrillas use its territory for refuge and arms smuggling. But there is clear support for the various insurgent groups in refugee camps along the border.

The Soviet Union has 110,000 to 115,000 troops in Afghanistan, according to Western intelligence estimates. They are fighting Moslem insurgents who Kabul says are supported by the United States, China, Iran and Pakistan.

Pakistan denies the claim that guerrillas use its territory for refuge and arms smuggling. But there is clear support for the various insurgent groups in refugee camps along the border.

## Protests Go On in S. India

6 More Killed By Riot Police in Andhra Pradesh

The Associated Press

NEW DELHI — At least six demonstrators were slain and 38 wounded by police gunfire in Andhra Pradesh on Sunday in renewed protests against the dismissal of the opposition-led state government, state authorities reported.

The killings increased the death toll to at least 25 in violent street protests since the dismissal of the administration of a popular politician, N.T. Rama Rao. About 375 protesters and 40 police have been wounded.

Meanwhile, violent protests spread to two other states, neighboring Karnataka and Maharashtra, in western India.

A police spokesman in Hyderabad, the capital of Andhra Pradesh, said that five protesters were killed in Chinnathippasamudram, near the Hindu pilgrimage center of Tirupathi, when police opened fire, and one died in Puttur, 52 miles (85 kilometers) northwest of Madras.

More than 50 people, including several opposition leaders, were injured in Bombay, capital of Maharashtra, when riot police broke up a demonstration against Mr. Rama Rao's dismissal last week.

In Karnataka, one of India's three remaining opposition-ruled states, demonstrators protesting the dismissal blockaded railroads, disrupting train services, India's Southern Railway reported.

The railway said two freight trains and a passenger train derailed in Andhra Pradesh, 250 miles north of Madras, because of sabotage of tracks by protesters. No one was reported injured.

Mrs. Gandhi's federal government, meanwhile, rushed additional paramilitary reinforcements to Andhra Pradesh, a large southern state.

State police reported that about 60 people were injured and a railroad station set ablaze in renewed protests on Sunday.

Several towns in the state observed general strikes for the third straight day, the United News of India reported.

The 19-month-old Andhra Pradesh administration was dismissed last Thursday by the state governor, Ram Lal, ostensibly because Mr. Rama Rao, a popular former film star in southern India, had lost the legislative majority in the 295-member state assembly.

A new state leadership was installed that supports Prime Minister Indira Gandhi's governing Congress (I) Party.

Opposition politicians have alleged that Congress (I) bribed Andhra Pradesh state legislators or offered favors to encourage defections from Mr. Rama Rao's Telugu Desam party, the first non-Congress party government in the state.

The dismissal was the third of a state government since May and has been viewed by the media as another move by Mrs. Gandhi to strengthen her party's base before national elections that must be called by January.

About 163 Andhra Pradesh deputies, including Mr. Rama Rao, headed for New Delhi on Sunday, United News said. They were scheduled to meet President Zail Singh on Monday to try to show that Mr. Rama Rao still commands a legislative majority.

The pro-government Times of India newspaper, meanwhile, said Sunday that legislators belonging to Mrs. Gandhi's party are concerned that the national furor triggered by Mr. Rama Rao's dismissal "would adversely affect their political fortunes" in the forthcoming parliamentary elections.

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■ Peru's military has stepped up its campaign against leftist guerrillas. Page 5.

■ Talks on a deep-sea mining treaty have been clouded by a separate agreement among eight countries. Page 5.

■ Belfast police officers clashed again with Protestant and Catholic mobs. Page 5.

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■ U.S. regulators are reported to be discussing replacing the chairman of troubled Financial Corp. of America. Page 7.

TOMORROW

Catholic clergymen in Latin America who support a "theology of liberation" for their region are facing resistance from the Vatican.

## Sri Lankan Emergency Is Extended

Reuters

COLOMBO, Sri Lanka — President Junius R. Jayewardene has extended a 15-month nationwide state of emergency for a month to allow the security forces to continue their campaign against separatist guerrillas, according to official sources.

The sources, who asked that they not be identified, said Saturday that military intelligence showed one Tamil separatist was coming by boat from India and further attacks on police stations in the north were expected.

A relative lull after two weeks of violence that left at least 95 people dead was only an interval in the west, they said.

Tamil guerrillas fighting for a free state for the Sinhalese majority on the island of 15 million people began a renewed separatist drive on Aug. 4.

The sources said the special police force given to the military under the emergency were also needed to prevent any backlash against Tamils in Sinhalese areas. About 400 people, mainly Tamils, died in riots a year ago after rebels killed 13 Sinhalese soldiers.

Under the constitution, the state of emergency, which was first imposed in May last year to prevent violence after parliamentary and local elections, can be extended monthly.

Sri Lankan television reported Friday that the national security minister, Lalith Athulathudeni, had urged a class of graduating air force cadets not to use their weapons for what he called personal purposes.

Television showed films of a unit formerly assigned to guard air

bases and which was now engaged in fighting separatists.

Tamils accuse the armed forces of killing civilians in their drive against the rebels but the government denies any wrongdoing.

Last week government officials confirmed that troops set fire to Tamil shops and homes, looted property and killed five civilians earlier in the week in and around Mannar, 155 miles (250 kilometers) north of Colombo, in reprisal for a guerrilla ambush on an army convoy.

The government blamed "extremists and Marxists" in the army for the attacks in Mannar and elsewhere.

The Tamil United Liberation Front, the main party for Sri Lanka's 2.5 million Tamils, walked out Friday of government-sponsored talks on the ethnic issue.

The party said it could not participate while its people were being harassed and killed.

The market in Mannar, a town in northern Sri Lanka, was wrecked last week when soldiers went on a rampage.



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## Ian Smith, Unrepentant, Clings On

### Ex-Leader's Support From Whites in Zimbabwe Dwindles

By Alan Cowell  
New York Times Service

**SHURUGWE, Zimbabwe** — When visitors arrive at his farm here in the southeast tip of Zimbabwe, Ian D. Smith likes to show them the cattle that are his pride: the Brahman bulls, lowering and heavy, or the steers, ripe for slaughter, sleek of coat and plump of line.

Dogs and grandchildren and geese escort the party, and the conversation is of farming concerns: the price of beef and diesel fuel, the drought that wilted the corn crop, arrangements for the labor force. Then the talk turns to history.

Mr. Smith was the last white prime minister of Rhodesia, a rebel against the British crown who led his white followers against black nationalists, who branded him a war criminal. The battle ended four years ago, with 30,000 people killed.

Now, in a whitewashed home- stead in his 6,000-acre (2,500-hectare) estate, Mr. Smith continues as before, dour and outspoken, and the custodian, in his view, of a white minority that is learning to live with new realities.

Mr. Smith these days, like the dwindling number of whites in Zimbabwe, is tolerated, sometimes ridiculed and sometimes just ignored by the nation's black-majority rulers, who acknowledge the economic importance of the whites but revile them for their former domination.

When elections were held in 1980, just before independence, Mr. Smith and his followers received all 20 of the seats guaranteed to whites under a British-drafted constitution that was designed, in part, to assure them of a future in a new nation.

Since then, 13 of his legislators have defected to become what are called "independents." Mr. Smith's power base has eroded, but his determination to remain a figure in politics has not.

The white members of Parliament have been divided, just as Mr. Smith once sought to divide black leadership.

Unofficially led by Christopher

Anderson, a former justice minister under Mr. Smith, the independents say they aim to work with the new authorities, offering what they call a constructive style, as compared with what they see as Mr. Smith's readiness for confrontation.

The white constituency is shrinking, and the independents' success in promoting an image of cooperation obliged Mr. Smith's party to reexamine its goals and style. It changed its name recently to the Conservative Alliance; previously, it had been called the Republican Front, keeping the initials it used in the old days, when it was called the Rhodesian Front and was known as the RF.

Admitting that the name change signified a loss of ground, Mr. Smith said, "There were people who believed that the RF was living in the past and was not prepared to cooperate with the government." By changing its name, he added, the party hoped to shed its image "of being obdurate and uncooperative."

Mr. Smith himself is unrepentant. He sees himself as a potential brake on Prime Minister Robert Mugabe's desire for one-party rule in Zimbabwe. "If it goes on like this, there's not much hope, not much future," he said.

He accused Mr. Mugabe of presiding over economic decline, "a breakdown in law and order" and a rush to Marxism-Leninism.

Who but his own party, he asked, would "stand up for the rights and the beliefs of the white?"

"Certainly not the independents," he said, "who are on the bandwagon, condoning."

It is evident that Mr. Smith is fighting a rear-guard action to re-assert what he has lost, to counter political apathy among the whites and curb sentiments such as those expressed by one white farmer, who said: "Smith had his day. Now he should retire gracefully to his farm and keep quiet."

As another white farmer put it, "A lot of people think the independents are sellouts and Mr. Smith has had his day, so what's the point?"

Mr. Smith said he has no plans to leave and would be loath to concede ultimate victory to Mr. Mugabe. Moreover, he seems to be saying that the demise of white rule was not the inevitability many took it to be.

In his own times, he was a hero to a white minority whose numbers grew to 280,000 in the mid-1970s, and the embodiment of their aim to maintain supremacy. A former Royal Air Force fighter pilot, Mr. Smith went on record as saying black rule would not come to Rhodesia, not in his lifetime, "not in a thousand years."

He unilaterally declared Rhodesia's independence from Britain on Nov. 11, 1965, a move that brought war and international economic sanctions, which were often circumvented.

In 1976, under pressure from South Africa, his main backer, and from Henry A. Kissinger, then the U.S. secretary of State, Mr. Smith acknowledged a need for political change. "Having given ground in 1976, we could not recover it," he said. "Our friends left us in the lurch."

Mr. Mugabe no longer speaks to Mr. Smith, seeking to isolate him from the political process. Mr. Smith argues that whites have been intimidated into withdrawing support for him. But he said, "I know I still represent white opinion," a statement some would contest.

There are to be general elections before February 1985. Whites have been slow to register, and Mr. Smith, in one of many gibes and taunts directed at Mr. Mugabe, said the elections would not be free or fair. There will, however, be a contest between Mr. Smith's party and the "independents" for white approval.

As in the closing days of the war, however, whites have been leaving Zimbabwe at a rate of 20,000 a year, so their numbers are now down to 100,000 or fewer in a nation of some eight million people.

"With arithmetic like that," a foreign diplomat said, "it's pretty obvious that, as far as the politics are concerned, it's all irrelevant to the way Zimbabwe is going."



Ian D. Smith, with his granddaughter, in Harare.

## Lebanese Druze Enclave Assumes Role of a State

By John Kifner  
New York Times Service

**ALEH, Lebanon** — "They don't have much influence because they don't have anything here," Hisham Nasseredine said about the Lebanese government. "We are running the whole game here."

Since May, Mr. Nasseredine has been the civil administrator of the district of Aleh — not for the central government but for the Progressive Socialist Party, the Druze militia force that controls the Chuf Mountains southeast of Beirut.

Aleh, once an attractive mountain resort, is the next place to which the government wants to extend its peace plan, which has brought a tentative calm to Beirut. A Lebanese Army brigade is currently stationed in the area, in the village of Souk al Gharb.

But there are exchanges of fire nearly every night between the army positions and the Druze militia dug into the ruins of the surrounding town.

If the upsurge of shooting bodes ill for the government's hopes of getting control of the country, so, in the long run, does Mr. Nasseredine's civil administration, which is only one facet of an institutionalization of the deep divisions between religious groups here.

"Everybody is withdrawing back into their own sects," says Sami Khalaf, a sociologist at the American University of Beirut, who is studying the effects of nine years of civil strife in Lebanon.

In the Chuf Mountains, the Druze have, in effect, established their own canton, a thus far pale imitation of the state within a state that has existed for more than five years in the predominantly Maronite Catholic areas run by the Christian Phalangist militia.

"We're taking care of any subject you can think about, from displaced people and refugees, military police, tax collection, schools and hospitals," said Mr. Nasseredine, whose office was decorated with photographs of the Druze chieftain, Walid Jumblatt. Mr. Jumblatt serves as minister of tourism in the "national unity" government.

"All the people here are in one way or another PSP," he said, using the initials of the Progressive Socialist Party.

The Druze, a fierce mountain people who hold to a schismatic branch of Islam, established their civil administration last October, after pushing the Christian Phalangist militia and their ally, the Lebanese Army, out of the Chuf.

The trouble in the Chuf, the traditional homeland of the Druze, began after the Israeli invasion of 1982, when the Phalangists moved in behind the Israelis and attempted to establish control. When the Israelis withdrew farther south, the Druze drove out their enemies.

Mr. Jumblatt appointed a 15-man "executive council," whose posts paralleled those of the central government's cabinet, such as finance, defense and foreign affairs, to handle the affairs of what he called the "liberated area."

Since then the administration has been extended, with committees in each village. And the militia has been reorganizing along the lines of a regular army cadre.

The Druze canton faces problems, chief among them money. Mr. Jumblatt says the funds he formerly got from Libya have been cut off and the party has been reduced to raising money by such means as a toll on automobiles using roads in the zone and a 1-percent tax on salaries.

The Druze villages, like other non-Christian areas, have long been neglected by officials in Beirut.

"Here in this area, no one looks to the government," said Mohammed Sabra Awar, the administrator of the Aleh hospital. "We're not against a central government but we need one that can be trusted by all the people, not just one sect."

Prime Minister Rashid Karame has announced plans to ease the confrontation points in the mountains, reopen the highway to Damascus and send in troops. But the plans have bogged down in wrangling, with Mr. Jumblatt and his supporters insisting they will not let the Lebanese Army, which they regard as a tool of the Phalangists, back into the area.

"I believe in having Lebanon united, but maybe it will have to be partitioned into small areas before it can be united," Mr. Nasseredine said. "You cannot have it united under the Phalangists; it must be united for all."

## Aeroflot Bombed in Karachi

The Associated Press

**KARACHI, Pakistan** — Two men threw an explosive device at an office of the Soviet airline Aeroflot in a Karachi hotel on Saturday night, injuring three policemen, police said. They said they suspected Afghan refugees.

## Missile Hits Gulf Tanker, Second Attack in 4 Days

(Continued from Page 1)

reported in Cairo. No mines have been found so far.

Meanwhile, Western military sources in Cairo said Saturday that small, lightly charged mines on the bottom of the sea, with delayed time fuses, were believed to have caused the underwater explosions that have damaged at least 17 ships in the Red Sea and Gulf of Suez since July 9.

The officials, who spoke on condition that they not be identified, said they could not be certain about the type of mine involved until British and American forces combing the northern and southern Gulf of Suez had found one.

## U.S. Navy Orders New Ships for Minesweeping

New York Times Service

**WASHINGTON** — The U.S. Navy has ordered two new classes of minesweeping ships, after two decades of relying primarily on helicopters to sweep mines at sea.

The first of the two classes, led by the 1,000-ton wooden-hulled Avenger, is intended to clear U.S. ports and coasts in the event of hostilities. Avenger is scheduled to be delivered in September 1985. The second class, known as minesweeper bunters, are 470-ton ships intended to keep coastal waters clear.

A navy spokesman said that while helicopters can be taken quickly on transport planes to any part of the world, sweep quickly and do not trigger mines, they cannot sweep in deep water and have a range of only 100 miles (162 kilometers).

## Belfast Police Clash With Protestants And Catholics

The Associated Press

**BELFAST** — Protestant youths clashed early Sunday with members of the predominantly Protestant police force for the fourth straight day, and Roman Catholics also took to the streets again.

Fifteen persons were arrested as police officers fought mobs of both religions, but a police spokesman said the disturbances had been "more low-key than on previous nights."

The disturbances followed a parade Saturday by Protestants to protest what they said had been police brutality against suspected loyalist guerrillas and to demand an end to the police use of informers. No violence or arrests were reported during the parade. The police estimated the demonstrators numbered 3,000.

In the violence early Sunday, a sniper fired on an armored police vehicle during three hours of trouble in the Shankill Road area, heartland of Protestant militancy in Belfast. A police spokesman said no officers were hit.

The gun attack marked the fifth time that snipers in the Protestant stronghold had opened up on the overwhelmingly Protestant Royal Ulster Constabulary (RUC) since the violence flared in the Shankill district Wednesday for the first time in nearly a decade.

Nearly in mainly Catholic west Belfast, the police said, about 50 masked Catholic youngsters lobbed gasoline bombs at officers. The police fired back with plastic bullets. No casualties were reported.

The Northern Ireland Assembly has been recalled from summer recess for a one-day emergency session on Tuesday to discuss the worsening security crisis. The session had been urged by the two main Protestant parties.

But the debate by the Protestant-dominated assembly, which Catholics have boycotted since elections in October 1982, is not expected to do anything to cool tempers in Northern Ireland. The Protestant parties said they wanted to protest what they said had been "a week of orchestrated vilification of the RUC and gross media imbalance."

The police came under criticism a week ago after Sean Dowds, a Catholic, was killed by a plastic bullet during a police charge at a rally outside the headquarters of Sinn Féin, the political wing of the Irish Republican Army.

The police were trying to arrest Martin Galvin of New York, publicity director of Noraid, the Irish Northern Aid Committee, which supports the outlawed IRA's aim of ending British rule in Protestant-dominated Ulster and uniting it with the Catholic Irish republic.

Mr. Galvin, who had been banned from entering Northern Ireland, escaped and has not reappeared in public.

In London, meanwhile, about 3,000 demonstrators demanding the removal of British troops from Northern Ireland paraded through the capital to mark the 15th anniversary last week of the dispatch of troops to the province.

A black wreath in memory of Mr. Dowds was carried by a small delegation to Prime Minister Margaret Thatcher's official residence at 10 Downing St. She was vacationing in Austria.

A black wreath in memory of Mr. Dowds was carried by a small delegation to Prime Minister Margaret Thatcher's official residence at 10 Downing St. She was vacationing in Austria.

## WORLD BRIEFS

### Germany's Leaders Reaffirm Détente

**BONN (AP)** — East and West German leaders said in weekend interviews that they want to maintain détente between their two countries. Both Richard von Weizsäcker, the West German president, and Erich Honecker, the East German president and Communist Party leader, emphasized the importance of détente and said the Germans had a crucial role to play in East-West relations.

Their public statements indicated that neither country intends to back away from the new diplomacy between them, despite strong criticism from the Soviet Union.

The Germans have already made "distinct progress" in relaxing tension between them, Mr. von Weizsäcker said in a radio interview Sunday. Mr. Honecker told the East German press agency, ADN, that "it is better to negotiate 10 times over than to shoot once."

### Arab Shot in Madrid Is a Palestinian

**MADRID (Reuters)** — The Spanish police identified on Sunday an Arab seriously wounded in Madrid on Friday as Zaki al-Hallou, a leader of the military wing of the Popular Front for the Liberation of Palestine.

Mr. Hallou, 44, who is known as Abu Said, was in critical condition in a hospital after being shot by a motorcyclist.

A spokesman for the Palestine Liberation Organization blamed the Israeli secret service for the attack but Spanish police sources said they believed the shooting might have arisen from factional fighting between Palestinian groups. An organization calling itself the Islamic Revolutionary Vanguard claimed responsibility for the shooting in a newspaper in Kuwait on Saturday.

### Falklands War Sinking Is Questioned

**LONDON (UPI)** — The Observer newspaper reported Sunday that defense documents showed the British government ordered the sinking of the Argentine battle cruiser General Belgrano in the Falklands war, with a loss of 368 lives, even though it knew the ship posed no immediate threat to British forces.

The documents, the newspaper said, were sent anonymously to a Labor Party member of Parliament, Tom Dailly. The report added that the documents also showed the government of Prime Minister Margaret Thatcher planned a cover-up of its handling of the war in the South Atlantic, withholding key information from Parliament.

A Defense Ministry spokesman said he had "no comment whatsoever" on the report. Mr. Dailly, who has repeatedly accused the government of failing to account properly for the sinking of the Belgrano on May 2, 1982, by the submarine Conqueror, also refused to comment.

### Manila Court Approves Aquino Rites

**MANILA (Combined Dispatches)** — The Supreme Court approved plans Saturday for opposition demonstrations on the first anniversary of the assassination of Benigno S. Aquino Jr., rejecting government arguments that the activities could lead to civil war.

Mr. Aquino was shot to death at the Manila International Airport on Aug. 21, 1983, on his arrival from U.S. exile. The Supreme Court described him as a "leader who decided to go back to his country to attain peace" and asked demonstration organizers not to use "placards of hate and acts inimical to public peace" to desecrate his memory.

Soldiers seized a statue of Mr. Aquino on his arrival Sunday and customs officials were quoted as having said it will not be released until its sponsors produce either a tax-exemption certificate or an import clearance. The bronze statue was sculpted in Rome by a Filipino and unveiled in New York last week. (AP, UPI)

### Nicaraguan Opposition Gets Reprieve

**MANAGUA (UPI)** — Nicaragua's electoral council has again kept the door open for parties opposed to the government to field candidates in November presidential elections.

The council, which had the power to remove the legal status of political parties if they failed to meet the registration deadline of Aug. 5, announced Friday that it would not move against three parties of the country's largest opposition group, the Democratic Coordinator. It had earlier postponed the deadline for seven days.

The government's concession came after the Social Christian Party, the Social Democratic Party and the Liberal Constitutional Party last week lifted their demand that the government hold talks with insurgent leaders.

### U.K. Civil Servant on Secrets Charge

**LONDON (UPI)** — A senior Defense Ministry official has been charged in court with passing secret information to an unauthorized person.

No details of the charges against Clive Ponting, 38, were disclosed in the hearing on Saturday. He was ordered to appear again on Sept. 13 and was freed on bail.

Mr. Ponting, head of a Defense Ministry section responsible for giving advice and assistance to the navy, was suspended from duty pending the outcome of the court action, the ministry said.

### Solidarity Aide in Plea for 2 Activists

**WARSAW (NYT)** — A key Solidarity figure on Saturday criticized the government's amnesty for political prisoners, saying it had not been extended to two underground Solidarity activists, among others.

Karol Modzelewski, 46, the former press spokesman of the banned union movement, said that with these prisoners still in jail, "the amnesty will not be full and it has to be full if it is to make any political sense." He was released two weeks ago after nearly three years' imprisonment.

The amnesty covered more than 600 political prisoners. But Mr. Modzelewski cited Bogdan Lis and Piotr Mierzejewski, leaders of Solidarity's clandestine wing who face possible charges of high treason, as among those who have been excluded from the amnesty.

### French Bombings Linked to Ransom

**GRENOBLE, France (UPI)** — A terrorist group that has demanded ransom from the Socialist government is apparently behind three bomb attacks staged last week in southeastern France, the police said Saturday.

The latest explosion, at the Grenoble train station Friday, "again was an amateur-built device made with the same explosives as in the previous attacks," a Grenoble police inspector, André Chailant, said.

There was no claim of responsibility. Similar bombs used at a train station in Lyons and a cultural center in Annecy were claimed by a spokesman for a previously unknown group in phone calls to a French news agency. Calling itself M-5, the group warned: "Bloodier attacks will follow unless the government hands over 30 million francs [\$3.5 million] in ransom."

### UN Council Critical of South Africa

**UNITED NATIONS, New York (NYT)** — The Security Council voted approval Friday of a resolution that "strongly rejects and declares as null and void constitutional changes proposed by South Africa."

Included in these changes, which are scheduled to take effect in September, is a provision for a parliament of three houses: one for whites, one for people of mixed race and the third for Indians. Blacks, who make up the majority in the nation, are not to be represented.

The vote was 13 in favor, none opposed, with the United States and Britain abstaining. The South African representative, Kurt von Schmidt, said his country "will in no way be impressed or influenced by the farcical proceedings here today."

### Mondale Advisers Rebuked by a Black

**ATLANTA (AP)** — Mayor Andrew Young has expressed exasperation with Walter F. Mondale's campaign advisers, calling them "smart-assed white boys" who will not take advice. Nonetheless, Mr. Young called on fellow blacks to vote for Mr. Mondale against President Ronald Reagan in November and praised the Democratic nominee's 20-year record on civil rights.

Reacting to Mr. Young's statement, a spokeswoman for Mr. Mondale, Maxine Isaac, said: "It's an unfair charge. ... I personally find the language objectionable, and I don't think it's based on any reliable information."

Mr. Young opened an address Friday to about 500 people attending the convention of the National Association of Black Journalists by saying, "I didn't know there were this many niggers that could write." The line drew a big laugh.

**For the Record**

A British scientific satellite separated from a West German satellite and switched on automatically 110,000 kilometers (68,000 miles) above the Earth on Sunday, a West German spokesman said. The satellites were launched jointly with a U.S. one Thursday at Cape Canaveral, Florida. (AP)

John F. Lehman Jr., secretary of the U.S. Navy, completed on Sunday a five-day trip to Beijing to meet with senior Chinese officials. Neither U.S. nor Chinese officials would provide any details of the discussions. (LAT)

## Reagan's Yalta Message: A Defense of Roosevelt?

By Josh Barbanel  
New York Times Service

**NEW YORK** — In the four decades since Roosevelt, Churchill and Stalin secretly met near the Black Sea resort of Yalta, the meeting and its aftermath have been debated by historians and politicians.

## Yalta Division Is Challenged

(Continued from Page 1)

maintained "passive" toward Soviet pressure.

Earlier this month, the administration announced that it was lifting some of the sanctions in response to Warsaw's amnesty for political prisoners.

Mr. Reagan opened the way for restoration of landing rights to LOT, the Polish airline, and renewal of scientific exchanges. He also said he would probably withdraw U.S. opposition to Polish membership in the International Monetary Fund.

A White House statement on Aug. 3 said that the remaining sanctions, including a ban on direct government credits, could be lifted if Warsaw fulfilled its pledge to release all political prisoners, particularly 11 protest leaders. Those prisoners have since been released.

Mr. Reagan reiterated that promise on Friday, saying he would lift the sanctions "one by one, in response to meaningful improvement in the human rights situation in Poland."

A Reagan administration official said that no decision had been made on the sanctions but that Polish moves so far were "encouraging," in that the government had kept its promise to release the prisoners.

The official said there has been no discussion of lifting the ban on credits, which prevents the Commodity Credit Corp., a division of the Department of Agriculture, from guaranteeing U.S. wheat sales to Poland.

At the luncheon on Friday, Mr. Reagan announced that he would ask Congress to appropriate \$10 million as a U.S. contribution to a farm improvement program administered by the Roman Catholic Church in Poland.

Mr. Reagan presented posthumous medals to three heroes of the Warsaw uprising. Major General Leopold Okulicki, Lieutenant General Tadeusz Bor Komorowski and Lieutenant General Stefan Rowecki.

## Republicans Struggle to Isolate Liven Session

(Continued from Page 1)

combat criticism that Mr. Reagan is hostile to women and blacks, want her to deliver a personal testimonial stressing her Hispanic background and her professional career.

The campaign planners have assigned to a third speaker, Howard H. Baker Jr. of Tennessee, the Senate majority leader, the task of stirring the audience with a rousing piece of oratory.

The series of speeches is also intended to shift attention to the broad issue of presidential leadership and away from the party platform, drafted this week. Reagan strategists regard the platform document as a potential general election liability because of its hard-line conservative tone.

The plan to use Thursday night's final convention session to celebrate Mr. Reagan's first term has led campaign officials into conflict with executives of the three main television networks.

The Republicans want to televise a "centenary package" consisting of an 18-minute film about Mr. Reagan, followed by his acceptance speech.

Network executives balked, saying that would amount to an extended campaign commercial. They point out that a similar film about Mr. Mondale, shown in the convention hall at San Francisco, was not transmitted over national television.

On the question of Poland, the Soviet Union and the Western powers agreed to "free, unfettered elections."

In practice, in Poland and other East European countries, Communists operating under the protection of Soviet troops took control in the postwar years.

U.S. participants in the talks said later that the outcome was the result of Soviet power and its renegeing on agreements, rather than any "sellout."

Some West European leaders have questioned this view. De Gaulle argued over the years that the United States and the Soviet Union had sought to divide post-war Europe.

And in 1982, Chancellor Helmut Schmidt of West Germany said the West "decided in a meeting in Yalta to practically divide Europe into spheres of influence."

The Reagan administration argues that since Yalta did not legally divide Europe, it is not legally divided.

"We recognize no lawful division of Europe," Vice President George Bush said last September, after a tour that included stops in Hungary and Romania.

## Ferraro, Husband Owe \$50,000 in Back Taxes

(Continued from Page 1)

\$100,000 from the Phelan estate to the P. Zaccaro Co., his real estate business.

Mr. Povman said he did not know what the loan had been used for.

Mr. Zaccaro, he said, would not comment directly on the matter.

■ **Bush Financial Statement**

Vice President George Bush released financial documents Friday showing that he and his wife, Barbara, have a net worth of about \$2.1 million, most of it tied up in a blind trust established four years ago and in their vacation residence at Kennebunkport, Maine, the Los Angeles Times reported from Washington.

Mr. Bush's office also re-released the couple's joint federal income tax returns from 1973 to 1980.

Peter Teoley, a spokesman for Bush, insisted that the controversy over the finances of Mr. Ferraro and her husband had nothing to do with the unanticipated decision to provide the Bush financial statement and to release the tax returns again.

"We are not trying to make a statement about Mrs. Ferraro's taxes," Mr. Teoley said. "What we are trying to do is establish what the vice president is and has been on the issue of releasing tax and financial disclosure."

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## Things Are Going Well, or Not So Well

### U.S. Republican, Democratic Platforms Show Vastly Different World Views

By Don Oberdorfer  
Washington Post Service

WASHINGTON — In 1980, the out-of-power Republicans warned in their party platform that the United States was facing "the most serious challenge to its survival" in history. However, after four years in office, the party sees a much more comfortable world.

"The prospect for peace is excellent because America is strong again" and "the danger of war has

grown more remote under President Reagan," said the platform

#### NEWS ANALYSIS

drafted this week for adoption by the Republican National Convention.

The view of the Democrats, on the other hand, has darkened dramatically in the same period.

In 1980, looking back on the Carter administration, the Demo-

cratic platform said that "we are restoring America to its rightful place" as "the strongest and most just of nations. But last month, the out-of-power Democrats asserted in their platform that President Ronald Reagan had presided over "an unprecedented record of failure" in foreign policy and that "on a planet shadowed by the threat of a nuclear holocaust, what is at stake may be nothing less than human survival."

It is a tradition of American politics that those in office "point with pride" while those on the outside "view with alarm." Examination of the foreign policy and defense sections of their 1984 platforms suggests that the two parties have maintained the tradition.

The new Republican platform bristles with assurance and pledges of physical strength. "This we pledge to our people and future generations; we shall keep the peace by keeping our country stronger than any potential adversary," the document says.

In a much-noted change from its 1980 posture, the Republicans this time did not repeat its pledge to achieve "military superiority" over the Soviet Union. In a June 14 press conference, Mr. Reagan said, "I would prefer that we not ask for superiority" now that arms-control efforts had been made.

Nonetheless, the substitute vows adopted by the platform committee were only slightly short of this — to maintain U.S. "technological superiority" as a foundation of nuclear deterrence and to strive for U.S. "qualitative superiority" in naval forces.

The world-class villain, in the Republican platform, is the Soviet Union with "its globalist ideology and its leadership obsessed with military power." This is followed by an attack on "the Carter-Mondale team" which, it is asserted, "hid behind an umbrella of wishful thinking" in the face of a Soviet military buildup.

The Democrats in San Francisco also assailed "the Soviet threat" and "the totalitarian Soviet state, which has amassed an arsenal of weapons far beyond its defensive needs."

While pledging "a strong national defense," the Democrats rebuked Mr. Reagan for failing to wield an olive branch. "Today we stand at one of the most critical junctures in the arms race since the explosion of the first atomic bomb," their platform said.

It added that Mr. Reagan is "the first American president in over 20 years who has not reached any significant arms-control agreement with the Soviet Union" and "the first in over 50 years who has not met face to face with Soviet leaders."

On regional matters, the fault line of partisan division runs clearly through Central America, which has become an area of contention for the two parties in Congress.

For the Republicans, whose platform lists Central America first, before even the Soviet Union, Europe or the Middle East, the threat is from President Fidel Castro's "brutal dictatorship," in Cuba, the "brazen" Nicaraguan "Marxist-Leninist" government and "brutal" Communist guerrillas in El Salvador.

"We support the democratic freedom fighters in Nicaragua," said the Republicans, in a reference to the 12,000 anti-Sandinista rebels, known as "contras," who are assisted by the U.S. Central Intelligence Agency.

The Democrats, in contrast, called for the United States to reduce tensions and give "unqualified support" to achieving negotiated settlements in the area. "We must terminate our support for the contras and other paramilitary groups fighting in Nicaragua," said the Democratic platform.

In the Republican platform, the island of Grenada "is of monumental importance" as an example to the world of "freedom won by peaceful means" even though "Grenada is small and its people few."

For the Democrats, Grenada is where Mr. Reagan "renounced diplomacy for over two years, encouraged instability and crisis" and finally "set a chilling precedent" by excluding the press from a military landing.

Lebanon, once hailed by Mr. Reagan as vital to U.S. interests in the Middle East, is all but ignored in the Republican document, which says the "Lebanon crisis" still is unresolved, despite our best efforts to foster stability in that unhappy country.

The Democrats made more of it, charging Mr. Reagan with "recklessness" in having "sacrificed" 262 U.S. servicemen "in a bungled mission in Lebanon against the advice of the Joint Chiefs of Staff."



**RUNNING REAGAN DOWN** — A group called "Women Running Against Reagan" carries a sign in Dallas urging delegates to "retire" the president at the Republican convention, which opens on Monday. More than 2,200 people are expected to attend.

## U.S. Republicans Don't Have to Walk Their Party's Platform, Laxalt Says

By Helen Dewar  
and James R. Dickenson  
Washington Post Service

DALLAS — Amid continued cross fire over the 1984 Republican Party platform, Senator Paul Laxalt of Nevada, President Ronald Reagan's campaign chairman, has declared that no officeholder "including the president" need be bound by the document's provisions.

Mr. Laxalt's effort to free the president and other Republican candidates from the most controversial sections of the conservative platform came Saturday as delegates poured into town for the for-

mal opening of their convention on Monday.

"I think this platform represents the concerns and aspirations of the party," Mr. Laxalt said on a television interview program. "That doesn't mean that everybody who is sitting in office, including the president, has to be locked in totally by the wishes of the party."

As he spoke, liberal and conservative party activists squared off over the platform, which bears the imprint of the party's most conservative members.

Representative Jim Leach of Iowa, chairman of the Republican Mainstream Committee, said the platform was so conservative it

could lead to defeat of many Republican candidates, possibly jeopardizing the party's control of the Senate.

Nevertheless, Mr. Leach and most of his colleagues in the dissent group said the policies outlined in the Democratic platform were even worse and reaffirmed their support for Mr. Reagan.

Conservative activists said they were pleased with the platform but feared that Mr. Reagan and other Republican leaders might "double-cross" them by reneging on the platform's pledge not to raise taxes. They predicted that would tear the party apart and possibly lead to formation of a conservative third major political party.

Representative Jack F. Kemp of New York, who played a major role in framing the platform's provisions on taxes and other disputed points, tried to reconcile the differences by asserting the platform is "more populist than ideological."

Mr. Laxalt said the president would not raise income taxes but he left open the possibility of other tax increases. Noting that the Reagan administration is studying tax reform, he said, "We just don't know, until the study comes back," the form of any revenue increases.

Mainstream Committee members denounced the platform on issues ranging from women's rights — including its opposition to abortion — and lack of support for the proposed Equal Rights Amendment — to civil rights, the environment, election reform and arms control. Several attributed the platform to a takeover of the party by "pseudo-Republicans of the radical right," as former Representative John H. Buchanan Jr. of Alabama put it.

Lyn Nofziger, a longtime friend and political adviser to the president, said Saturday he thought Mr. Reagan would like the platform.

"His approach will be a little tougher than it was in 1981 and 1982," Mr. Nofziger said. "He'll push harder and be less willing to compromise. I don't think he'll sit still for a tax increase, and he'll work harder to get the growth of government under control."

But conservative activists continued to warn that Mr. Reagan might yet turn his back on the document. "I would not advise you to bet the farm that they are going to keep the promises in this platform any better than they did the last platform," said Richard A. Vigoreo, chairman of the Populist Conservative Tax Foundation. "If next January the Republican establishment goes ahead and sticks it to the taxpayers again, the GOP will be ripped apart. The anti-tax Republicans would consider it a double-cross of the highest order."

He said that conservatives would conclude that there is no real difference between the parties and would support a third party instead.

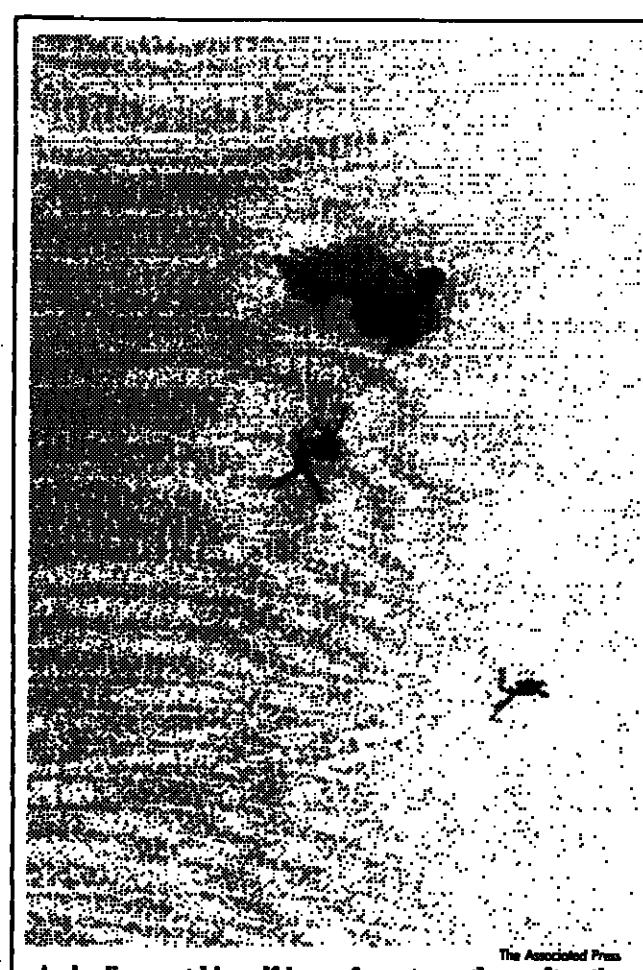
#### Anti-Reagan Rally

Several thousand opponents of Mr. Reagan's policies staged a mile-long march and a rally Saturday, the Los Angeles Times reported from Dallas.

The rally was sponsored by a coalition of liberal political groups called the Dallas March and Rally Committee. About 25 demonstrations are expected during the convention.

#### Pope Schedules Trip to Peru

The Associated Press  
LIMA — Pope John Paul II is expected to visit Peru early next year, according to a Roman Catholic Church spokesman here who said the visit would include Lima, the port city of Callao and Arequipa in the south.



A skydiver cut himself loose from two others after they became tangled on Saturday, but all fell to their deaths.

## 3 U.S. Skydivers Die as Lines Tangle During Exhibition at Colorado Fair

The Associated Press

WHEAT RIDGE, Colorado — Three skydivers died after their lines tangled and they plunged to earth among hundreds of people at a community fair.

The crowd "fell silent as they realized they were going down and nothing would stop them," J.R. Erickson, a photographer, said Saturday.

"When they got close to the ground, about 300 feet or so, then it sunk in," Mr. Erickson said. "I didn't hear many comments. . . . It was almost like people were in shock, in disbelief that they were watching people die."

A police spokesman said the three men, experienced members of a skydiving club, had been performing a maneuver in which the parachutists sit atop the canopy of the skydiver below them.

The parachutes apparently became tangled and at least one of them collapsed, he said. One skydiver cut himself loose from the other two when they were closer than 1,000 feet (300 meters) to the ground.

They landed in the middle of a block that had been roped off to serve as the midway for a three-day festival at Wheat Ridge, just west of Denver.

The police spokesman said 500 to 600 people were on the midway when the divers fell. Two were dead at the scene and the third died soon after being airlifted to a hospital.

Paramedics going to the scene in an ambulance found an entrance blocked by an illegally parked car, Mr. Erickson said, and "eight or nine men actually lifted it out of the way."

## De Lorean Trial Spotlights Jury Selectors' Role

By Jay Mathews  
Washington Post Service

LOS ANGELES — The jury that stumped prosecutors Thursday by declaring millionaire former automobile maker John D. De Lorean not guilty of drug conspiracy charges was selected with the help of professional jury consultants, a new, rapidly growing breed of experts whose work has begun to affect courts throughout the country.

The De Lorean jurors were carefully selected after a public opinion poll and days of questioning by defense attorneys. Their verdict is expected to focus attention on the use of behavioral scientists in screening jurors.

Cathy E. Bennett, a Houston jury and trial consultant who helped the De Lorean defense, said more than 100 professionals provide similar services throughout the United States. She rejects assumptions that jurors from certain income or ethnic groups will be best for certain cases.

"What you need to do is listen to what people say and look for those who are sensitive and will not jump to conclusions," she said.

In the De Lorean case, for instance, defense attorneys selected a former California Highway Patrol officer, William Lahr, despite the conventional courthouse wisdom that law enforcement officers or their relatives always favor the prosecution.

"His responses to questions during the lengthy jury selection indicated that he was very thoughtful," Donald M. Re, one of Mr. De Lorean's lawyers, said. Mr. Lahr, who became the jury foreman, said Thursday that he had concluded with the other jurors that "the government had not established its case beyond a reasonable doubt."

Some jurors said that, despite five hours of videotapes showing Mr. De Lorean discussing a cocaine deal, they concluded that he had been illegally lured into the scheme by government agents.

Miss Bennett said she advises many clients for free or for personal expenses but that fees for such services can run as high as \$1,500 a day. On occasion, she offers her service to indigent defendants at no charge.

Federal prosecutors here said they had never hired professional jury consultants and probably could not afford them if they wanted to hire them.

After spending \$60,000 on initial outside jury consultants, Mr. De Lorean ran out of money and relied instead on the experience of his attorneys, Mr. Re and Howard L. Weitzman.

"We got an unusually talented, sensitive jury," Mr. Re said, adding that he and Mr. Weitzman decided that well-educated professionals would be most likely to give Mr. De Lorean a fair hearing.

Initially, Miss Bennett had called in a Duke University professor, John McConahay, to analyze a telephone poll of 1,000 southern California residents showing that 72 percent thought Mr. De Lorean was guilty.

"That convinced us that we had to spend a great deal of time and care selecting a jury that could keep an open mind," Mr. Re said. They insisted on questioning prospective jurors at length out of the hearing of other jurors and asked open-ended questions to probe each person's willingness to set aside personal opinion.

Mr. Re said it is unusual for federal judges with busy calendars to allow lengthy questioning of jurors but U.S. District Judge Robert M. Takasugi "was very concerned about the effects of publicity."

Miss Bennett said that attorneys also had to be careful to ask questions that would stimulate a lengthy response, such as "You've read and heard a lot about this case, but what do you think?"

## Court in U.S. Upholds Discharge From Navy For Homosexual Acts

By Stuart Taylor Jr.  
New York Times Service

WASHINGTON — Ruling that "private, consensual homosexual conduct is not constitutionally protected," a federal appeals court panel has upheld the U.S. Navy's discharge of a petty officer who acknowledged engaging in homosexual acts.

Judge Robert H. Bork wrote for the unanimous three-judge panel that while several Supreme Court decisions had recognized a vaguely defined constitutional "right of privacy," the court "has never defined the right so broadly as to encompass homosexual conduct."

The 21-page ruling on Friday was the broadest and most ringing repudiation that a federal appeals court has given to the view of some libertarians that laws penalizing homosexual conduct are unconstitutional.

While some lower federal courts have suggested that private homosexual conduct enjoys a degree of constitutional protection, the Supreme Court in 1976 affirmed a lower court decision suggesting the contrary. Because the Supreme Court has issued no opinion in the case, its importance as a precedent is unclear.

Stephen V. Borse, a San Francisco lawyer representing the petty officer in the case, James L. Dronenburg, said Friday that he had not seen the court's opinion or spoken to his client.

"Assuming he wants to pursue it," Mr. Borse said, "we will pursue it" by asking the full 11-judge U.S. Court of Appeals for the District of Columbia to rehear the case.

The ruling is likely to fuel demands for state and federal legislation to protect homosexuals against discrimination.

The case grew out of the 1981 discharge of Mr. Dronenburg. Judge Bork noted that he had "an unblemished service record and earned many citations praising his job performance" in nine years as a Korean linguist and cryptographer with a top-security clearance.

A 27-year-old petty officer at the time of his honorable discharge, Mr. Dronenburg first denied, but later acknowledged, allegations by a 19-year-old seaman recruit that he repeatedly engaged in homosexual conduct in a navy barracks

while attending the Defense Language Institute in Monterey, California.

After he was discharged, Mr. Dronenburg filed a lawsuit charging that the navy's policy mandating discharge of all homosexuals violated his constitutional rights to privacy and to equal protection of the law.

Judge Bork stressed that "legislation must implement morality" in sexual matters and that the courts had no business creating new constitutional rights to engage in sexual activity.

Governmental penalties against homosexual conduct could logically be struck down, he said, only if "any and all private sexual behavior" was constitutionally protected, "a conclusion we are unwilling to draw."

Judge Bork's opinion did not discuss whether private, consensual heterosexual activity would enjoy any special constitutional protection in the military or elsewhere. Many states still have laws prohibiting certain heterosexual acts.

"If the revolution in sexual mores that appellant proclaims is in fact ever to arrive," Judge Bork wrote, "we think it must arrive through the moral choices of the people and their elected representatives, not through the judicial use of this court."

Judge Bork also said that there had been no equal protection violation because the navy policy "is plainly a rational means of advancing a legitimate, indeed a crucial, interest common to all our armed forces."

"The effects of homosexual conduct within a naval or military unit are almost certain to be harmful to morale and discipline," he said.

He added that homosexual liaisons were sure "to call into question the even-handedness of superiors' dealings with lower ranks, to make personal dealings uncomfortable, to generate dislike and disapproval among many who find homosexuality morally offensive, and, it must be said, given the powers of military superiors over their inferiors, to enhance the possibility of homosexual seduction."

The panel's decision upheld an earlier ruling by U.S. District Judge Oliver Guich rejecting Mr. Dronenburg's suit.

## De Lorean Faces Probe Into Financial Dealings

By Judith Cummings  
New York Times Service

LOS ANGELES — John D. De Lorean, who was acquitted Thursday of federal drug charges, still faces an assortment of legal problems related to his financial conduct in the defunct De Lorean Motor Co. and other business ventures.

A committee of creditors, headed by a representative of the British government, is pursuing a civil action in Detroit in which Mr. De Lorean is accused of fraud, mismanagement and negligence in the operation of his sports car company in Northern Ireland. A grand jury in Detroit is looking into many of the same areas with regard to a criminal indictment.

Mr. De Lorean was the first witness subpoenaed in April by the grand jury. However, the proceedings were suspended pending the outcome of the Los Angeles drug trial.

The U.S. attorney in Detroit, Leonard Gilman, has refused to comment on the activities of the grand jury.

Mr. De Lorean's chief lawyer in the drug case, Howard L. Weitzman, who is also representing the automobile maker in Detroit, has denied that his client committed any improprieties. Mr. Weitzman accused the U.S. government of "persecuting" Mr. De Lorean and has suggested the possibility of a conspiracy with the British government.

Mr. De Lorean founded the De Lorean Motor Co. as a Michigan corporation in the 1970s and, beginning in 1978, obtained more than \$100 million in financing from the British government to build a sports car factory in Northern Ireland.

According to a recent report by Parliament, the British subsidiary, De Lorean Motor Cars Ltd., received \$77 million from the government. That amount is now equivalent to about \$101 million but in 1978 was worth substantially more.

In 1982, Mr. De Lorean was seeking a \$30-million investment in an unsuccessful bid to keep the factory open. While trying to raise money, he came under surveillance by federal agents and was eventually charged with conspiracy to distribute 55 pounds (24.75 kilograms) of cocaine.

The chief charge in the creditors' action is that Mr. De Lorean fraudulently diverted \$17 million raised from investors for developing the De Lorean sports car. The suit contends that Mr. De Lorean used about half of that amount to buy for himself a Utah company that makes "snow-grooming" vehicles for ski resorts, the Logan Manufacturing Co.

The creditors accused Mr. De Lorean of "looting" the Logan company and they have obtained a court order temporarily blocking its sale.

## Contadora Draft Near Completion

The Associated Press

PANAMA CITY — Representatives of the so-called Contadora group of nations met Saturday to continue work on a draft peace agreement for Central America, which is expected to be completed within two weeks.

A spokesman for the group said that officials from Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala have studied the draft and that their comments were presented to the region's foreign ministers. He said the comments received so far were favorable.

The four Contadora countries are Panama, Mexico, Venezuela and Colombia. Their representatives first met on the Panamanian island of Contadora in January 1983 to try to find a peaceful solution to conflicts in the region.

## AMERICAN TOPICS

### New Yorkers Uneasy About Nuclear Ships

The U.S. Navy has at times met resistance in sending its nuclear-powered and nuclear-armed ships into foreign ports. Now it may have to tangle with New York City.

There is growing unease in that city about the possible presence of nuclear weapons in its harbors — specifically, whether the USS Iowa and its five escort ships will have atomic warheads aboard when they tie up at their new home port of Stapleton, Staten Island.

Only last year New York officials and politicians were rejoicing at the prospect of new jobs and the infusion of \$300 million into the economy from the navy's decision to station the ships there by 1988.

Now, with constituents becoming worried, 11 New York Democrats in the House have written an unusual letter to Navy Secretary John F. Lehman Jr. asking him to reconsider the Navy's long-standing no-comment policy on nuclear weaponry aboard its ships.

Absent from the signers were Representative Joseph P. Addabbo, chairman of the House appropriations subcommittee on defense, who played a leading role in getting the navy to base the ships in New York harbor, and Representative Geraldine A. Ferraro, whose Queens district stands to gain from construction and other activities related to the big naval presence.

John T. Dolan, the head of the National Conservative Political Action Committee, has told friends he plans to start a conservative polling operation. Mr. Dolan, who has said he will leave the committee after the November elections, is reported to believe that existing polls are too liberally oriented and that his new operation will "keep the others honest."

### Good and Bad News For Autoworkers

A recent national poll showing strong public support for preserving the jobs of workers in the U.S. automobile industry jobs also brought some uncomfortable news for the United Auto Workers, which commissioned the study.

The union was glad to see overwhelming public opposition to automakers' plans to build more small cars in Japan and South Korea for import into the United States. But there were less palatable results too: About 40 percent of the respondents said that American autoworkers were overpaid, 39 percent thought their pay was about right and 51 percent believed that they "resist modern work practices and production methods that would make the industry more productive."

### One-Liners

More than one out of every three babies born in New York City last year was born out of wedlock, a ratio triple to that of 20 years ago, says the city health department. . . . Sweet-soothed Americans downed 1.29 billion gallons of ice cream, sherbet, ice and other frozen desserts in 1983, says the International Association of Ice Cream Manufacturers

### Notes on People

Governor Mario M. Cuomo of New York has been praised for soaring rhetoric in his keynote speech at the Democratic National Convention, but some

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# Herald Tribune

Published With The New York Times and The Washington Post

## More Presidential Jesting

Mr. Reagan's nuke 'em joke gets less funny as he continues to play around it, and it was not much of a high-splatter to start with. On the contrary, his nuke-testing crack about how he was going to bomb Russia in five minutes was a gross and disturbing mistake. Now the president (has someone counseled this as the way to dispose of it?) has made a second reference. Ho, ho—advises a group with which he is meeting—he is going to a cabinet meeting but he is not going to order the bombing of Russia. Isn't that a scream?

Does Mr. Reagan grasp, even partially, what it is that is wrong when he sports with and giggles over this subject? Has he contemplated

the impression it gives? The impression, to be blunt about it, is of a man who considers this horrendous prerogative of the presidency to be a kind of perk of office, like the capacity to whistle up a limousine and a glass of lemonade, or a kind of toy that goes with the Oval Office—something, in other words, whose horror he does not really grasp.

Is this a wrong impression of Mr. Reagan? We think so, and God knows we hope so. But someone really needs to tell the president how this insensitive banter is striking others. What began as a very bad joke is beginning to say something more and something worse.

—THE WASHINGTON POST.

## Back Among the Sweepers

The minesweeping operation that has just begun in the Red Sea offers an unsettling reminder of the variety of perils in international life today. We are all too accustomed to the deprivations of lone gunmen or small teams of terrorists operating for their chosen ends. In this instance, however, commercial maritime traffic in one of the world's major waterways has been the target of a mysterious mining campaign that has damaged nearly 20 ships, of many nations, in barely a month's time.

No one has claimed responsibility for laying the mines, and no direct evidence has been found linking them to any particular source. Such a campaign, however, could only have been conducted by an entity with a certain naval capability; it lies well beyond the odd commando in a rubber raft. The prime suspects are Libya and Iran, which have the means and well earned reputations for contempt of the international rules—although exactly why either of them would want to be so indiscriminate in trying to terrorize the shipping of many nations has yet to be explained.

In any event, the response of the affected countries has provided a model of friendly cooperation. Egypt asked for help in clearing what it regards as the international waterway

of the Gulf of Suez; the Saudis requested aid in clearing their territorial waters in the Red Sea. The United States, Britain and France, all pleased for their own reasons to be of service, have sent the appropriate minesweeping units that are on the job. Dozens of ships a day go through this vital passage, and so an unusually large number of countries share an interest in keeping it open—and in being seen to keep it open. Those who laid the mines should be under no illusions that the international maritime community is without recourse.

Have you noticed that the United States, while playing its part in the mine clearing, is not out there in front making a big noise about the mine laying? Evidently it has occurred to American officials that just a few months ago they were themselves laying mines—off Nicaragua. That operation, taking, as mines do, an indiscriminate toll of friendly as well as unfriendly vessels, turned out to be a political embarrassment to the Reagan administration, which ended it. Laying mines is, after all, an act of war. No nation, moreover, has a greater interest in the general freedom of the seas than the United States. It is good to see it back in the company of the sweepers.

—THE WASHINGTON POST.

## A Moratorium for Whales

Japan appears ready to defy the impending moratorium on hunting whales, perhaps by accepting a committee's proposal to continue whaling in the guise of research. If so, Washington is legally bound to retaliate by halving Japan's permitted fish catch in U.S. waters.

Japan should stop hunting whales. But there is room for restraint in pressing America's views. When Commodore Perry ended Japan's seclusion in the 1850s, his aim was to get water and coal stations for American whalers, who had already depleted Japan's seas. And it was General MacArthur who ordered Japan to resume Antarctic whaling after World War II.

Along with other nations, Japan joined in hunting one species after another to the brink of extinction. Too little, too late, the International Whaling Commission moved to protect the threatened species and reduced the quotas of those still hunted. But stocks did not seem to recover as quickly as expected. In 1982 the commission recommended a five-year moratorium on all commercial whaling, starting in 1986. That was a shock for a country that depends on the seas for its protein.

Japan's deep-sea fish catch has declined by a third in the last 10 years because of the 200-

mile exclusive fishing zones claimed by many countries. To the Japanese, the moratorium seemed unscientific. It came not from the commission's scientific advisory committee but from the commission itself, swollen with new member states that have no whaling fleets. It also changed the rules in mid-game, since Japan had accepted the smaller quotas and reduced its whaling fleet in the expectation that some whaling would continue.

It is true that the rules have been changed, but for good reason. Biologists on the International Whaling Commission began by assuming that whales, like fish stocks, could recover from overhunting. But the methodology of fisheries does not seem to work so well for whales. Depleted stocks apparently do not bounce back, perhaps because whales, as mammals with a more complex social structure than fish, are more traumatized by violent hunting. Whales are wild creatures, not bred for slaughter, and well endowed with intelligence. Even if some catch could be sustained, their strangeness and songs set them apart, and there are no humane ways to kill them. Japan should accept the moratorium.

—THE NEW YORK TIMES.

## Other Opinion

### Mr. Reagan's 'Awful Remark'

One of President Reagan's more likeable traits is undoubtedly his sense of humor. But please, Mr. President, just be a little more careful what you joke about in the future.

—The Bangkok Post.

Is a glimpse of the off-the-air, jocular Reagan a glimpse of something more or less real, more or less instructive than the on-the-air, on-the-level, regular guy that follows?

—The Times (London).

"We begin bombing in five minutes." It is difficult to know how to react to this awful remark. Moscow has no problems: The president's gaffe to them reveals the true Reagan so artfully concealed by the fast footwork of his staff. His protestations about peace are the merest facade behind which lurks a rabidly right-wing and rather foolish old man.

The president's immediate advisers are less concerned. Only a man at ease with himself would make a joke about something as horrible as nuclear war, and America is tired of presidents who moan about the burdens of office. There is something in this, but not

much. Without getting too pompous about it, Mr. Reagan's joke emphasizes the huge psychic distance between him and the Russians. That he can joke about bombing the Russians illustrates the frightening gap in personal knowledge between the superpowers.

Even if the jokes a man makes do reveal his character, one should beware of making too much of an unguarded comment which was probably designed to ease tensions in the recording studio. But President Reagan might be well advised to look elsewhere for his jokes.

—The Observer (London).

### If the Soviets Want Americans

In an unusual move, the State Department has issued a "travel advisory" warning U.S. citizens that they may face harassment if they travel to Leningrad. The warning certainly was justified. If the Soviets want Americans to continue visiting their country, all they have to do is start behaving as if Americans were welcome there. Hauling them off for questioning, inflicting physical violence or preventing them from talking to people they meet during their visits is hardly hospitality.

—The Rocky Mountain News (Denver).

## Communist Parties in Power: Totally Unresponsive

By Franz Loeser

The writer was first secretary of the Communist Party at Humboldt University in Berlin for many years and was for the last 20 years a member of the presidium of the East German Peace Council. This is the first of three articles.

COLOGNE — East Germany's recent efforts to improve its relations with West Germany, and signs of confusion in the Kremlin over how to deal with these overtures, have produced another round of Western speculation about the possibility of significant change in the Soviet empire.

It has been suggested that a new, pragmatic generation of Communist leaders is waiting in the wings in Moscow and other East European capitals, ready to seek closer relations with the West, make economic reforms and even allow a period of political "liberalization."

Such speculation completely misses the point. The issue is not whether Communist parties will finally adopt measures to solve the grave problems facing their societies. The real issue is the parties themselves.

As long as they remain corrupt, undemocratic political machines, totally unresponsive to criticism or to the will of their own members, there can be no hope for meaningful change anywhere in the Soviet bloc.

The Communist parties are far and away the most powerful elements in each of these societies. For all intents and purposes the party machines are the governments.

The party secretary at the local collective

farm or factory is the real boss, not the factory director or the agricultural expert.

Party membership is a requirement for holding virtually all good jobs, from plant manager to university professor. A party requirement can be a worse blot on a member's career than a court conviction.

A few powerful bosses control everything. Party members have little or no say in the election of the leaders, or in the direction in which the bosses choose to take society.

That is at the root of East Europe's problems, as I can attest from personal experience.

In 1939, aged 14, I fled from my German homeland to escape Nazism. After serving in the British army in World War II, I came to the United States to study. In 1952, dismayed by McCarthyism and fearing another holocaust of the kind that I, a Jew, had narrowly escaped, I left and soon moved to East Germany, where I thought I could help build a new, democratic socialist society.

I rose in the system, becoming a senior member of the East German Communist Par-

ty, chairman of the department of artificial intelligence at Berlin's Humboldt University and finally professor emeritus. I was honored with medals from my government and trusted to represent East Germany in international conferences abroad. Many of my books and articles were published.

Last year, while on a government-approved trip to the United States, I left all this behind and applied for political asylum. The East German government accused me of being a traitor, but in my opinion the real traitors are the party bosses back in East Germany.

To be sure, communism has achieved a great deal in East Germany. There are an impressive system of free health care, high educational standards, full employment and a large measure of real equality between the sexes. Anti-Semitism has been almost completely eliminated.

But how does one explain that none of West Germany's millions of unemployed choose to move to East Germany, where they could easily find employment? Why is it still necessary for East Germany to physically

prevent the departure of its own citizens with barbed wire and a wall that stretches the length of the country's border with the West?

Why are young people, who without question benefit most from the considerable opportunities and welfare measures, disenchant- ed? Why are many of them turning away from Marxism and seeking hope in the churches?

This complex crisis can best be understood by analyzing the gap between the party's rhetoric and the reality of Communist life.

In February 1983, Yuri Andropov proclaimed that the Soviet Union had entered a period of perfecting "developed socialism"—that is, it was well along in the transition to the kind of society envisioned by Karl Marx.

According to Marx, in a Communist society the state and bureaucracy would have "withered away," material goods, scientific knowledge and cultural ideas would be abundant and freedom and democracy would be well established. Now there is hardly another state in the world in which bureaucracy, stocracy and absolute power are so deeply entrenched as in the Soviet Union. To understand Mr. Andropov, it is necessary to understand the political atmosphere here at the top of all present-day Communist governments.

The Washington Post.

## A Riddle for Republicans: What Is Majority Politics?

### Moderates Must Not Be Scared Away

By David Gergen

The writer resigned last January as communications director in the Reagan White House.

DALLAS — Republicans ought to be meeting here this week in a spirit of celebration. Not since Dwight Eisenhower triumphed to victory in 1956 has an incumbent party had such a good story to tell of peace and prosperity. America's guns are silent, inflation has returned to normal—

at least for now—and the economy is expanding so rapidly that in one month this spring it created as many jobs as did the European Community in the past 10 years.

Why then are many Republican leaders on edge? Why so nervous about the autumn? And so wary of each other? There are many answers, and all of them underscore the kind of challenge that Dallas represents.

In part, Republican strategists are worried about a rapid change of momentum this summer. Six weeks ago Walter Mondale was on the ropes, but then he had a string of successes—Geraldine Ferraro, San Francisco, taxes—that set the Reaganites back on their heels. Suddenly, November was no longer a sure thing.

Ronald Reagan has rebuilt his commanding lead—15 points in one national survey—but can it slip away again? No one knows, and that is a source of concern.

If the race tightens, as his advisers expect, Mr. Reagan's coattails could prove short. As many as eight Republican senators are now caught in

space into the political world. The party must encourage such thinking. But conservatives must see that the president's more moderate advisers, in and out of the White House, have also been a key to his success. They, more than anyone else, have figured out how to guide the Reagan program to victory on Capitol Hill.

As much as conservatives dislike it, moderates have kept the party close to the political mainstream in which most Americans live. If the Republican Party ever goes off the deep end, especially on religious and moral issues (there were signs as the platform was drafted), then it can abandon hope of becoming a majority party.

Ronald Reagan has succeeded because he instinctively knows that various factions within the party need each other, and he has forced them to work together. A key question in Dallas is whether they will finally recognize this and reaffirm their commitment not just to him, but to each other. If so, it could be a good time for a Grand Old Party.

Los Angeles Times.

### Conservatives Are Bitter

By Howard Phillips

The writer is chairman of the Conservative Caucus, a lobbying group.

WASHINGTON — The Republican Party may have missed its rendezvous with history.

For 18 years now, an anti-liberal electoral majority in America has been waiting for leadership, waiting for a chance to provide a genuine alternative to the failed left-wing dogmatism of the New Deal and the Great Society. Ronald Reagan and the Republicans have not yet provided that alternative, raising serious questions for populist conservatives.

The anti-liberal majority began to emerge in the 1966 congressional elections. It grew stronger in 1968 when 44 percent of voters backed George Wallace and 43 percent Richard Nixon, rejecting Lyndon Johnson's no-win strategy in Vietnam and his candidate, Hubert Humphrey.

President Nixon was a disappointment to us. Although elected on a wave of anti-establishment sentiment, he trod to the financial centers that profited from détente with the Communist enemy and to interest groups nourished by the bureaucratic patronage of the Great Society.

Mr. Nixon expanded many Great Society programs and presided over a dramatic shift in the "correlation of forces" to the advantage of the Soviets. Having no strong challengers to his right when he ran for re-election in 1972, he felt no need to justify any of this. In the end, it was his failure to implement the populist conservative aspirations of those who elected him that enabled the liberal establishment to dump him and defeat his party in the 1974 congressional elections.

The anti-liberal majority had not disappeared, but the debate that year was not about the issues that roused it. The Republican Party permitted the liberals to change the subject to Watergate, and quite predictably wound up on the wrong side of that year's referendum on corruption.

Jimmy Carter understood the anti-liberal dynamics of the anti-liberal majority. He would never have been elected without strong conservative symbolism, including his reputed experience in reorganizing budgets, renegeing and balancing budgets. He presented himself as a farmer, a small businessman and a nuclear engineer strongly rooted in the nation's most conservative region. His election strategy depended on conservative voters' dislike of Social Ford's liberal approach to social issues such as the Equal Rights Amendment and abortion, and on the enthusiasm of millions of born-again Christians.

The anti-liberal majority built up a new head of steam during the Carter presidency. Ronald Reagan rhetorically stoked its fires, and it began ousting liberal Democratic senators in 1978. In 1980 it defeated 13 more, as Mr. Reagan swept into office on a wave of populist conservative energy—a flurry of state anti-tax referendums, the burgeoning of the right-to-life movement, the organization of the Christian right and a nationwide grass-roots campaign against the Panama Canal treaties and SALT-2.

Unfortunately, in office Mr. Reagan has also disappointed. Like Mr. Nixon and Mr. Ford, he has substantively abandoned his Main Street constituency and embraced his party's Wall Street wing.

Consider the Reagan record: the technology transfers and taxpayer-subsidized bank credits for Communist China; adherence to the unwritten SALT-2 accord; the biggest tax increases in American history (federal revenues rose from \$517 billion in 1980 to \$745 billion in fiscal 1985); a \$8.4-billion bailout for the IMF; business as usual in response to the

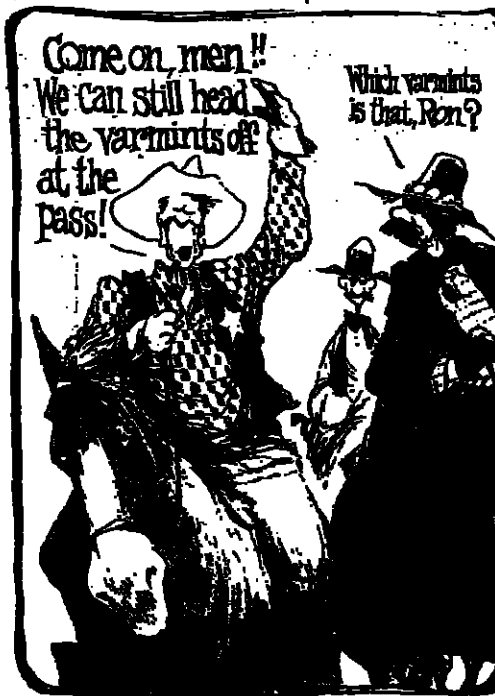
downing of the South Korean airliner, economic aid to Soviet-bloc countries; assaults on religious liberty and academic freedom; increased spending on Great Society programs that fund the left; and the doubling of the national debt. With the exception of the Grenada rescue mission, Mr. Reagan has pursued a no-win strategy in Central America.

I hope Mr. Reagan is re-elected, since Mr. Mondale would be worse. But as a conservative I reject the notion that our role in American politics is to "lose as slowly as possible."

I look forward to the time when we can implement our own agenda. We are tired of playing disappointed critics of a two-party liberal regime against which, for nearly 20 years, a majority of Americans has been voting.

The hour is very late for the Republican Party. Two decades is a long time to make the anti-liberal majority wait. If, as many predict, 1986 brings economic hard times and a prospect of Republican defeat, populist conservatives may go elsewhere. We may decide to bolster our strength in Congress by directing resources to anti-establishment candidates who are neither Democrats nor Republicans.

The New York Times.



## A Warning: Reagan Is Over the Hill

By John B. Oakes

NEW YORK — The tasteless "joke" that Ronald Reagan dropped on Aug. 11 while testing his voice prior to a radio broadcast strips away his protective cover of press agency and reveals him naked to the American people.

What President Reagan said was not intended to be taken seriously,

His advisers should urge him to withdraw before the election.

much less reported and repeated around the globe. Of course not. But that is exactly the point.

The words that came to him spontaneously, instead of the normal "4-3-2-1," or "It's a nice day today," exposed Mr. Reagan's mental set, his impromptu, perhaps even involuntary thought processes.

"My fellow Americans," he said, "I am pleased to tell you I just signed legislation which outlaws Russia forever." And he culminated that obvious expression of wish fulfillment with the howling one-liner: "We begin bombing in five minutes."

To dismiss this off-the-cuff humor as mere presidential playfulness is as great an error as to claim that it proves Mr. Reagan to be a nuclear-wannabe. It is not necessary to go to either extreme.

What Mr. Reagan's little joke reflects is an instinctive feeling that the only good Russian is a dead Russian—a rather dangerous sentiment to be boiling along under the presidential skin in this hair-trigger age.

What it also suggests is an innate lack of a sense of presidential responsibility, a failure to recognize that every word and gesture of the president of the United States has the power to move the world.

This failure stems not from humility or modesty but rather from their

opposite. It stems from an arrogance that disregards completely the effects of careless or thoughtless remarks on other people and—if you happen to be president of the United States—on other countries.

It is a "couldn't care less" approach that is becoming increasingly evident with the president's advancing years. Whatever his causes, it can no longer be successfully concealed by the protective screen of high-level image-makers and high-priced cosmetic dispensers at the White House's command.

Not even his worst enemy would seriously claim that Mr. Reagan would think, on reflection, that bombing the Russians is a joking matter. What gives pause is that he would make such an idiotic statement without reflection. That is the key to the alarm felt in every corner of the globe after his offhand (and theoretically off-the-record) comment.

If this kind of remark could spring from him on the spur of the moment, what kind of reaction could be expected of him in a real crisis when decisions affecting the survival of the world might have to be made in a matter of minutes? What confidence can the American public have in a man of such shallow, rash and superficial judgment, especially one who has given increasing evidence in recent months of a growing inability to cope with the realities of domestic and foreign policy?

From the most aggressive jingoism in Central America to his total confusion over tax policy; from gross fantasies on population control to his repeated dissimulation on arms control; from sudden interest in the environment, after sabotaging it during the first three years, to sudden concern for the working poor, after sabotaging them for the first three years—in all this Mr. Reagan shows less interest in the substance of govern-

ment than in his ideological image. He seems to believe that his flag-waving, moralizing religiosity can be a substitute for the thoughtful deliberation of which he is evidently no longer capable—if he ever was.

In a recent incident at Mr. Reagan's ranch, a reporter asked him a question about the prospects for talks with the Soviet Union about controlling weapons in outer space. He smiled; his wife prompted him, and he mindlessly repeated the vacuous phrase she supplied. When a president comes to that on a subject such as this, it is time to call it quits.

If Mr. Reagan's closest advisers were sincerely interested in protecting the president as well as the presidency, they would recognize that he is not up to running the White House for four more years. They would urge him to withdraw before the election—rather than after it, as some observers predict he is likely to do.

If, however, the Republican Party does succeed in propping him up through the election, and if this is the kind of president the American people choose, then we should be singing in the next four years not "God Bless America" but "God Help America."

The New York Times.

## LETTERS TO THE EDITOR

### Reagan's Joke Falls Flat

In response to the news report "Reagan in a Radio Test, Joked of Attack on Soviet" (Aug. 14):

With all due respect to the president of the United States, this presidential humor is madness. And he is one of the most powerful men on Earth, who may shape world history as my grandchildren here in little Europe will experience it!

C. KOLFF BREYMAN, Chardonne, Switzerland.

During his radio test, President Reagan might have tried a different

joke: "My fellow Americans, I am pleased to tell you I just signed a friendship pact with the Russians. Negotiations for the elimination of nuclear, chemical and biological weapons begin in five minutes."

LISA SCHLEIN, Geneva.

### Rights for Turks, Too

Regarding "Rights in Turkey: A Government on the Right Track" (Aug. 13) by Elliot Abrams:

It is really a pity that human rights can be treated in such light fashion by

(Continued on Page 3)

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## LETTERS

(Continued from Page 4)

such an important person. According to Mr. Abrams, "Turkey is not Sweden, nor should we expect it to be." In other words, developing countries deserve no more than second-class democracy.

If every time one complains of torture and bad prison conditions one is going to get the answer that it has always been like that in Turkey, where can this lead one to?

A Turkish dictum says: "When you stand far away from it, the drum sounds very pleasant."

AHMET KOKSAL

Brussels

## Rabbi Lamm Replies

Regarding the opinion column "A Change of System for Israel" (July 30) by Flora Lewis:

I am accused by Flora Lewis of appealing for compassion for Jewish "terrorists" on the grounds that they are "patriotic, religious people." She argues that this is "unworthy of any American" and compares my reasoning to that of Ayatollah Khomeini.

What I pleaded for in a lengthy address is that we not judge a trial that is *sub judice*. But "burn the witches" is simpler than "innocent until proven guilty."

These men are not typical terrorists. They are not thugs, hired guns, frenzied teen-agers, zealots who think they are setting the world aright with their heaven-based ideals. I know these men personally. They are believers, but not God-pushers; they are struggling to protect wives and children on school buses. They will not move out of their "own" land and will not submit to mayors who incite mob riots, and they have no government protection.

They are decent and for the most part reasonable men. If proved guilty, they will have committed crimes such as may never be tolerated—but they are not yet guilty. And their past record as decent and honorable people of no consequence? Why should Flora Lewis find it so shocking for an American to plead compassion for the families—13 pregnant women and 126 children? If the courts find the men guilty, then they should be punished. Until then, I ask that we refrain from prejudging them. If that is un-American, I plead guilty.

Rabbi MAURICE LAMM

Los Angeles

## Olympic Afterthoughts

The press and television treated us to a most exciting two weeks of Olympic competition, and those of us in Europe who staggered through the days following our nightly vigils felt rewarded by the superb coverage. But the Mary Decker-Zola Budd incident did insert a bit of a sour note.

I felt real shame at the boobying of Budd which followed Decker's tragic fall. Decker's stature as a runner is quite secure. Her grace, however, leaves something to be desired. As for her "courageous news conference," I would suggest that, to observe some courage, she get an old film clip of Finland's Lasse Virén crashing to the track just 700 meters from the finish of the 10,000-meter final in Munich in 1972. He got up, ran on and won the race. I stood with 70,000 others in that crowd and cheered him past my own countrymen.

FRED A. KING

Antibes, France

Your pictures (Aug. 13) of the Decker-Budd collision do indeed tell a tale. In picture one, look at the position of Budd's left leg and the expression on Decker's face.

Budd is obviously not "moving in" on Decker. Decker is moving up on Budd and getting a bit physical in the process. In picture two, look at the expression on Budd's face and at the positions of the left legs of both runners. Decker claimed she was tripped, but what kind of a "trip" would account for the extended position of her left leg?

What would cause a superbly conditioned athlete like Decker to hit the turf like a sack of cement? Even ice-skaters don't fall like that—unless they snag a blade. What it looks like to me is that Decker's spikes hit Budd's left heel, and when Budd raised her left leg she carried Decker's left leg with it. That is not exactly "tripping."

All this should make Budd wiser. DAVID YUHAS, Stockholm.

Your Olympic medals table (Aug. 14) arrives at its totals by adding gold, silver and bronze medals together without regard for the fact that gold is better than silver, which in turn is better than bronze. If one rectifies this by counting three points for a gold medal, two for a silver and one for a bronze, China (with 32 medals and 70 points), Italy (32 and 66) and Japan (32 and 60) would all finish higher than Britain (37 and 57). Yugoslavia (18 and 36) would precede Sweden (19 and 34), and New Zealand (11 and 28) would finish higher than the Netherlands (13 and 25) and Finland (13 and 24).

MICHAEL C. McPEAK

Geneva

It is with more nostalgia than accuracy that Flora Lewis (*"An Olympic Debut: Moscow, Los Angeles and So On," July 27*) laments the nationalism of the Olympics and hopes for the suppression of national flags, anthems and teams. She recalls the "original Olympic spirit," providing for a truce to celebrate individual athletes, and calls for returning the competition to sport for sport's sake.

In fact, the Olympics—part of one of the four Panhellenic Festivals, the most important religious celebrations in ancient Greece—celebrated Zeus, not athletes. The military truce observed was for the sake of Zeus, not sport.

Athletes and events were as nationalistic as a group of fiercely competitive city-states could make them. Each athlete competed for his city, which selected him and paid for training. If he won, the city let his victory and gave him power, prestige, rank (several became generals) and money—often lots of it. No sentimental stuff about playing the game for its own sake.

Many events were inspired by that most nationalistic of events, war—foot racing in armor, javelin throwing and, most prestigious of all, the four-horse chariot race. And, as in war and religion, Olympic Games were too important for women to participate.

The "original Olympic spirit" is a modern notion.

MEL A. TOFF

Bristol, Rhode Island

Flora Lewis's proposals for "reversing the tide of nationalism" in the Olympics are far too modest. If we truly wished to eliminate nationalism from the Games, we would emulate the ancient Greeks and require athletes to compete in the nude. This would have dire consequences for sporting goods manufacturers, but it could lead ultimately to the end of politics in the Olympics. Commies and supply-siders being fundamentally indistinguishable in their birthday suits.

T. KRUGMAN, M. NIXON

Washington

## The Watergate Hearings Told Us Everything

Regarding the Aug. 6 report "In 10 Years, Nixon the Pariah Has Become Nixon the Statesman":

He who once commanded troops to assault citizens (read the transcripts) and has belligerently refused to show the slightest remorse for multiple crimes must not be allowed to represent the American people or its system of free democratic government, even as an "experienced old statesman."

STEPHEN T. JACOBS

Jakarta

Regarding the opinion columns by Raymond K. Price (Aug. 8 and 9) in praise of the Nixon presidency:

Indeed, Richard Nixon was not "paralyzed by propriety" when he minimally misused the judicial and electoral systems to ensure re-election. Mr. Price no doubt considers his subversion of the democratic process to be admirable.

VINCENT O'MALLEY

Amsterdam

Mr. Price's "morality of consequences" sounds like newpeak for ads justifying means.

BERNE WEISS

Siena, Italy



I agree wholeheartedly with Anthony Lewis. Why should the press revive this man? We have nothing more to learn. The Watergate hearings told us everything.

RONALD GIGUERE

Paris



Police in Lima used a water cannon Friday to break up demonstration protesting the disappearance of a journalist

reporting from rebel strongholds east of the capital, where government forces have stepped up their counterattacks.

## Peru Steps Up Drive Against Peasant Insurgents

By Marilee Simons

New York Times Service

AYACUCHO, Peru—Government security forces have intensified their campaign against leftist guerrillas in this Andean region, according to military and police sources.

They say their strategy includes the use of terror tactics, stepped-up formation of peasant militia forces to help resist the guerrillas, the control of information and the spreading of false reports to confuse the insurgents as well as the peasants in the area.

Other Peruvian sources say the armed forces and the police are increasingly resorting to kidnappings, torture and executions in their fight against the guerrillas, who are members of a Maoist revolutionary group known as Sendero Luminoso, or Shining Path.

In a recent interview, President Fernando Belaunde Terry denied reports of growing human rights violations, including executions, by the police and military. He said the charges came from "ingenuous in-

sultations" that serve as "useful idiots" for the guerrillas.

Judicial and church sources said the government-approved violence has become worse since mid-July, when the armed forces were given unlimited control over 13 provinces in an emergency zone in the central mountains east of Lima.

In this war, in which both the guerrillas and the security forces reportedly often kill civilians, people concerned with human rights say it is difficult to say just who is to blame for the mounting death toll, put at close to 2,700 in 1983. Killings often happen in communities inaccessible by road and with only rare contact with larger towns.

In the last two months more than 100 bodies have been found around Ayacucho and Huanta, and church, local police and judiciary sources blamed security forces for the deaths. In many cases, relatives said the victims were pulled from their homes or picked up by uniformed soldiers using official vehicles.

The bodies, many of them showing signs of torture and mutilation, were left in fields or by the roadside.

A government counterinsurgency expert who insisted on remaining anonymous acknowledged the security forces had a double purpose in leaving bodies on public display. "This raises doubt about who did it and intimidates and dissuades people," he said. "The idea is to reduce the terrorists to their hard core by using greater terror."

Shining Path guerrillas have also been blamed for many of the deaths in the area. Since they announced their campaign of violence four years ago, they have reportedly killed 122 police officers and an undetermined number of civilians suspected of being informants.

The government, apparently taking advantage of Shining Path's violent image, has accused the guerrillas of most of the killings in the region. But this propaganda effort is complicated by continuing reports that people are found dead

after their arrest by the military and that soldiers using trucks or helicopters have abducted peasants.

Last week the tortured body of Jesus Oropesa, the leader of a national peasant union, was found 10 days after he was arrested by the police.

In the towns of Ayacucho and Huanta, anxious relatives looking for missing family members appear around the clock outside the offices of local lawyers, the mayor, the police and the district attorney.

Stories of recent violent killings were repeated last week on a tour of other villages in the mountains behind Ayacucho.

The mayor of Ayacucho, Leonor Zamora, said she had visited the local army commander several times "to ask him when this killing is going to stop."

"We know of at least 150 deaths and as many missing in the last two months," she said.

Mrs. Zamora said the commander denied responsibility for the killings.

## Salvadoran Rights Unit Revises a Death Count

By Robert J. McCartney

Washington Post Service

SAN SALVADOR—The Roman Catholic Church's Legal Protection Office, often cited as one of the best sources of information on human rights abuses in El Salvador, said last week that it had substantially overestimated the number of civilian victims of a Salvadoran Army operation seven months ago.

Maria Julia Hernandez, the office's director, said Saturday that her staff has changed its reporting procedures because of the mistake, which was called to her attention by the U.S. Embassy in San Salvador. But she defended other figures released by her office on civilian casualties from February to May that were criticized by the embassy.

The office's dispute with the embassy is the latest concerning which of several governmental and non-governmental bodies are the best monitors of political killings, kidnappings and army-instigated abuses in El Salvador. The mistake, which was the most significant over attribution to the Legal Protection Office, or Tutela Legal, appeared likely to diminish its reputation among human rights groups, journalists and U.S. diplomats.

"I was distraught to learn that these figures were so inaccurate," a senior U.S. diplomat said Saturday.

The office conceded in a 21-page report released Thursday that it had committed "an error of information" in publishing initial, unconfirmed reports that the Salvadoran Army killed 250 people, mostly civilians, in an operation Dec. 31 in northern Chalatenango province. Miss Hernandez said Saturday the office had only con-

firmed 16 civilian deaths in the operation, although it had received reports from people in the area that "many more" were killed.

The office relies primarily on eyewitness testimony in gathering information, and has criticized the U.S. Embassy for relying exclusively on Salvadoran newspaper reports for its figures. Embassy officials have acknowledged that the official U.S. figures were incomplete, and have agreed at least for the past year that the Legal Protection Office's figures seemed the most accurate.

But in June, the embassy compiled a report challenging the Legal Protection Office's figures from December to May, including reports of 579 deaths that were only sketchily described. The embassy accused the office of picking up official army tolls of guerrilla casualties and presenting them as

though they were primarily civilian victims of army operations.

In its rebuttal to the embassy report, the office offered to provide the embassy with witnesses to back up its contention in 16 of 34 cases in March and April that most victims of army operations were unarmed and thus civilians according to the Geneva Convention.

In the other cases, Miss Hernandez said, the office had obtained a testimony from at least one witness in most instances but her office had been unable to contact the individuals recently to make them available to the embassy.

In its latest report, Miss Hernandez said, the office has created a new category to describe victims of military actions, distinguishing whether or not they were likely to have been civilians. It will also clarify which reports were confirmed at the site of the killings.

## U.K. to Send 2 Hospital Ships to Iran

The Associated Press

LONDON—Britain will supply the Iranian Navy with two unarmed naval support ships that are part of a 1977 order made by the late Shah, Mohammed Reza Pahlavi, the Foreign Office said Sunday.

The 2,500-ton ships, particularly suited for disaster relief, would not be used in Iran's war with Iraq, a Foreign Office spokesman said. "Our policy in terms of neutrality remains," he said.

The announcement confirmed a report by The Sunday Times which said that the ships are fitted with operating rooms, intensive-care units and helicopter landing pads.

It said the British government had received assurances that the ships would not be used for military purposes. But, it added, the U.S. ambassador-at-large to the Middle East, Richard M. Fairbanks 3d, was said to have told British officials of Washington's displeasure over the delivery.

The 32-40-million order for six of the 2,500-ton ships was delayed by contract problems with the Islamic regime that replaced the Shah.

Two of the ships were delivered before the Shah was deposed in 1979, the newspaper said. Two more will be sent at the end of the summer. Because both are unarmed, the sale will not contravene the British government's embargo on arms for Iran, it said.

The paper did not say whether an agreement on delivery had been reached for the other two ships.

Swiss Plane Delivery Cited

Swiss military pilots delivered a convoy of training planes to Iran early this month, the newspaper La Liberte reported Saturday in Fribourg, Switzerland.

A Military Department spokesman could not confirm the report, according to Reuters. The spokesman said there were no rules preventing Swiss pilots from delivering civilian planes while off duty.

The single-engine, turboprop Flettner PC-7 planes, which are classified as civilian aircraft, have been the subject of debate in Switzerland because of reports that they can be converted for military use.

## 55 Years After Pogrom, Jews Return To Hebron, Provoking Arab Hostility

By Glenn Frankel

Washington Post Service

HEBRON, Israel-Occupied West Bank—They came in the middle of the night, three young families and three trailers, and the Arab residents of this ancient city awoke to discover another new Jewish "fact" on a hill overlooking the West Bank's most troubled community.

It was only the latest of several settlements launched by Jewish nationalists here with the support of the Israeli government. They have made Hebron, the West Bank's second largest city and the only one where Jews have moved into a densely populated urban area, the focal point of both Jewish territorial aspirations and Arab resentment.

As in all the cases, the action two weeks ago was fraught with political meaning. Its timing coincided with meetings between Likud government leaders and the Labor opposition to discuss a national-unity coalition, to which settlements like these so far have proven a major stumbling block.

For the young Jews who came to Hebron, many of them American by birth, the return to Hebron was a spiritual event, a commitment to the Jewish past in the city. Jews lived in it continuously for centuries until they were driven out 55 years ago in a massacre that plagued the decades of violence between Arabs and Jews of the Middle East.

For the Likud government, Hebron has become a test case, a place to ratify a policy: That the West Bank territories will never be returned to Arab rule.

To me, the re-establishment of the Jewish quarter of Hebron is in many ways symbolic of everything that Zionism stands for and everything that Israel stands for," Defense Minister Moshe Arens said in a speech in Jerusalem.

"After all, what is Zionism if not the proof that the acts of destruction, the acts of expulsion, the pogroms that were carried out in Eretz Israel [the Land of Israel] over the years, over the centuries, will not remain the final verdict of history?"

Mr. Arens said the Arabs of Hebron should welcome Jewish settlers "in eradicating what is a blot on the Arab population of Hebron—that terrible pogrom of 1929."

But the Arabs who have lived in Hebron and governed the city for generations see the newcomers as a deliberate provocation.

"Of course, there will be further trouble here, because the settlers are extremists and they are always looking for trouble," said Mustafa Natche, the acting mayor of Hebron who was deposed last year by the Israeli military authorities. He was officially replaced by an Israeli after a Jewish settler was killed in the city market place.

Evening rush deep in Hebron. For all of the cities of the West Bank, it has seen the most bloodshed. Hebron became the first Jewish acquisition in the land of Israel when Abraham bought land from the Hittites for a burial plot. The cave of Machpelah in the center of town marks the legendary site where the founder of Judaism, his chief wife, Sarah, son Isaac and grandson Jacob are said to be buried. It is sacred to both Muslims and Jews, and a mosque and synagogue uneasily share the same roof at the site.

A few streets away, Jews commemorate more modern history. This is the old Jewish quarter of Hebron, where about 200 Orthodox Jewish families lived for generations with their Arab neighbors until 1929. That year, Arabs, inspired by the mufli of Jerusalem, slaughtered 67 Jews. The surviving Jews fled to Jewish-controlled parts of Palestine.

Now the Orthodox have returned. They first settled in 1972 in Kiryat Arba, a suburban settlement of high-rises that became the first Jewish enclave on the West Bank.

During the last five years, under the leadership of Rabbi Moshe Levinger, a founder of the Gush Emunim settler movement, they have moved directly into the town itself to reclaim the old quarter, for the land is still officially under Jewish ownership.

There are as many as 200 Jews in Hebron and they have rebuilt the old Jewish synagogue, which they say had been turned into a goat pen and latrine by the Arab inhabitants.

As the Jews move in, the Arabs are forced out. There are plans eventually to reoccupy all of the Jewish property in the old quarter. The young settlers recognize Arab discomfort over these plans but tend to dismiss it.

"If they don't understand, they have just one possibility and this is to leave," said Avinoam Horowitz, who with his family has restored and reoccupied the old rabbi's house on one of Hebron's main streets. "They have a lot of countries, a lot of states, and if they don't feel good here, I cannot help them."

Across the street from Mr. Horowitz's house is the site where six Jews were shot down by Palestinians four years ago. They were among eight Jews and two Arabs who have died in Hebron in the last four years in factional violence.

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## 8-Nation Agreement On Sea Mining Clouds Talks on UN's Treaty

By Iain Gucst

International Herald Tribune

GENEVA—Talks over carrying out a United Nations treaty governing deep-sea mining have been jolted by the decision of eight industrialized states to sign a separate agreement covering mining sites on the floor of the Pacific Ocean.

The new agreement was signed Aug. 3 at the U.S. mission in Geneva by six West European governments, Japan and the United States. The Reagan administration has consistently opposed UN efforts to regulate the mining of the seabed by the Law of the Sea Convention.

Diplomats said that the Aug. 3 agreement was apparently timed to take place on the eve of a UN meeting, which began here Aug. 13, to complete the rules that will govern the allocation of deep-sea mining sites.

The meeting is the last before Dec. 9 deadline for nations to sign the 1982 Law of the Sea Convention. Delegates said it could, if successful, convince wavering governments—notably West Germany—to sign the convention, thus isolating the Reagan administration.

Delegates also agreed, however, that a setback might persuade key Western governments to join the United States in giving the go-ahead to their mining companies to explore alone, thus denying the United Nations essential Western funds and mining technology. Under U.S. law, American companies will be able to start mining on Jan. 1, 1988.

Many delegates are convinced that the Aug. 3 agreement is the latest in a series of attempts by the Reagan administration to hamper the mining provisions in the Law of the Sea Convention.

Any agreement involving the U.S. generates a lot of anxiety among the "Third World," said Cristian Macqueira, the spokesman for the Third World's Group of 77. Earlier, in a statement to the meeting, Mr. Macqueira described the Aug. 3 understanding as "wholly illegal" and "contrary to the letter and spirit of the Law of the Sea treaty."

The treaty, which was adopted on April 30, 1982, after almost 10 years of negotiations and debate, proposes a complex system for extracting mineral nodules from the ocean floor. Under this, private mining companies would be licensed to identify two parallel

sites, each of 150,000 square kilometers (57,000 square miles). The companies would exploit one of these sites, and the other would be reserved for the United Nations.

The treaty received new support Friday when Japan and France announced that their state-owned mining consortia would apply for a license to explore separate deep-sea mining sites under the UN system. So far, the Law of the Sea Convention has been signed by 134 countries and has received 15 of the 60 ratifications required to bring it into force.

In an effort to meet U.S. concerns, the treaty acknowledged the investment already undertaken in deep-sea mining by eight mining consortia. These were given the title of "pioneer investors" and allowed to apply for a license to mine sites on the condition that they first settle any overlapping claims.

In spite of this, the Reagan administration denounced these proposals as an unacceptable attempt by the United Nations to regulate private enterprise, and the United States cast one of four votes against the treaty. Soon after the treaty was opened for signature, the United States unsuccessfully tried to negotiate an agreement with other Western governments.

According to conference sources, the United States is lobbying hard in West European capitals to persuade Britain, Italy, Belgium and West Germany not to sign the convention.

Three of the eight governments that signed the Aug. 3 agreement—France, Japan and the Netherlands—have also signed the Law of the Sea Convention. All three have sent letters to the conference chairman insisting that the agreement is simply aimed at settling overlapping claims—as required by the convention—and that it does not call into question their support for the convention.

According to conference sources, the large West German mining concern, Preussag, has approached the United Nations and said it will drop its opposition to the treaty if its subsidiary, AMR, can be guaranteed a mining site of its own. Currently, AMR has a 25-percent share in the ocean management consortium, together with Japanese, Canadian and American companies.

If West Germany were to sign, delegates predicted, Italy and Belgium would follow suit, leaving Britain and the U.S. isolated.

## Israel Will Block Traffic To Aid Units in Lebanon

United Press International

JERUSALEM—Israel will stop traffic between northern and southern Lebanon early this week to allow the installation of new traffic "arrangements aimed at preventing sabotage activity" against Israeli troops in the south, according to an Israeli Army spokesman.

The spokesman said Saturday that a major crossing point near the village of Bateer on the Awali River would be closed from Monday to Wednesday.

Beirut radio said Friday that Israeli troops had set up a roadblock near Bateer and had imposed new restrictions on travel in an apparent effort to limit arms smuggling into occupied southern Lebanon.

The radio said that starting Sunday only small vehicles with special Israeli passes would be permitted to travel in the south for 10 days.

Cars leaving certain areas will not be allowed to return, and trucks will be banned in parts of the region, the radio said, adding that thousands of Lebanese would be affected by the new restrictions.

For about a year Israel has controlled access to a 24-mile (40-kilometer) strip in the south, often forcing motorists coming from the north to wait up to two days to enter the area.

Israel's announcement came one day after Nabil Berni, Lebanon's minister of state for the south, called on guerrilla groups in southern Lebanon to protest Israel's two-year occupation of the region by stepping up attacks against Israeli soldiers.

"We will respond to the Israeli sealing off of the south, the abduction of its people and the theft of its water resources by increasing the attacks to three a day," said Mr. Berni, who is also the leader of the Shiite Muslim Amal militia.

An Israeli Army spokesman said Saturday that six such attacks had taken place in southern Lebanon within 24 hours.

[Lebanon's prime minister, Rashid Karami, asserted Saturday that the United States had done nothing to stop "inhuman repression" by Israel in southern Lebanon, The Associated Press reported.

in Beirut. Mr. Karami said his government might take its complaints to the United Nations Security Council.]







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## EUROBONDS

### Some Uncertainties Persist After Recent U.S. Ruling

By BOB HAGERTY

International Herald Tribune

PARIS — Many Eurobond dealers doubt that new regulations announced last week will succeed in coaxing borders of foreign investors into the market for U.S. government securities. The situation remains murky pending publication of the rules, expected Monday.

"We have to read the fine print first," says Oswald Gruebel, chief executive of White Weld Securities. At first glance, though, he and many other dealers say they believe the new regime will have less effect on Eurobond prices than was previously thought.

The question is emotional, of course, because damage to the Eurobond market presumably would hurt some European-based dealers and help some U.S.-based ones. But even Wall Streeters suggest that the Treasury moves will make little difference.

The U.S. Treasury Secretary, Donald T. Regan, last Thursday sketched out how the Treasury intends to carry out last month's repeal of the 30-percent withholding tax on interest payments to foreign holders of bonds issued in the United States. Mr. Regan confirmed that the Treasury and other government agencies would continue to issue bonds in registered rather than bearer form.

Bearer bonds, which do not require a register listing the names of the bondholders, are the standard for the Eurobond market and appeal to investors who prefer to keep their identities secret. The Treasury could have reached a group of investors by offering bearer bonds, but too many Congressmen objected that such issues would incite tax evasion.

Nonetheless, the Treasury plans special, or "targeted," bond issues tailored for sale overseas. The beneficial owner of these targeted bonds will have to identify himself to the dealer involved in the sale, a Treasury spokesman said. The dealer, in turn, will be required to certify to the Treasury that the bondholder is not a U.S. citizen or resident. But the Treasury will not have to tell the holder's name.

MOST British and German investors do not object to bonds sold in registered form. The issue is important, though, for many investors from Switzerland, the Benelux countries and, to a lesser extent, France. Dealers say these investors will stay away if the Treasury rules seem likely to compromise their anonymity or create a lot of paperwork.

"If they have to sign documents, it will be a problem," says the chief trader at the London branch of a U.S. investment bank. To expand the overseas market for U.S. government bonds, argues Willy Dunn, a director at the London bond-trading firm of Société Générale Strauss Turnbull Ltd., the Treasury would have to allow holders to remain "totally anonymous."

At Bank Julius Baer & Co. in Zurich, Peter Widmer, a senior vice president, warns that the Swiss will shun the bonds "if there is the slightest doubt" that investors will be faced with a registration process when interest is paid.

A minority opinion comes from Robert Kock, managing director of Smith Barney Harris Upham International Inc. in London. "The certification requirement is not that onerous," Mr. Kock says, adding that the Treasury "is going about as far as it can go" in preserving anonymity without being accused of catering to tax cheats.

The targeted Treasury issues are to feature annual interest

(Continued on Page 9, Col.1)

### Price of Treasury Notes, Bonds Rise Amid Moderate Demand by Investors

By Michael Quint

New York Times Service

NEW YORK — Interest rates were little changed on Friday in quiet trading. Moderate investor demand nibbled away at securities dealers' holdings of the \$16.75 billion of Treasury notes and bonds auctioned and helped raise prices.

In addition to the investor demand, securities dealers said proposed changes in Treasury financing helped raise prices of

#### U.S. CREDIT MARKETS

long-term bonds. In particular, they said the substitution of 20-year bonds with a five-year call protection for less-callable 20-year bonds helped lift prices of outstanding bonds due in 30 years. Because there will be fewer long-term bonds for dealers to absorb in the future, prices of outstanding issues rose.

Recent conflicting economic data had little effect on the credit market last week.

Analysts said the decline in retail sales and drop in housing starts and permits were evidence that the economy was slowing, while the strong gains in industrial production and personal income in July and consumer-installment credit in June were equally convincing signs that the economy continues to expand at a brisk pace.

Analysts said that the revised

gross national product data for the April-through-June quarter could remain at 7.5 percent or be revised upward slightly. Gross national product is the total value of a nation's output of goods and services, including income from foreign investments.

Traders said the market's bias toward higher prices and lower yields was demonstrated on Thursday, when prices rebounded strongly from the lows set on Wednesday. The 12½-percent Treasury bond, due 2014, for example, fell to slightly below 99 at one time, but quickly rebounded on a combination of speculative purchases by securities firms and modest investor demand.

By late Friday afternoon, prices for Treasury bills and notes due in less than 10 years were mixed with small changes up and down, while 30-year Treasury bond prices were higher by more than ¼ point. Among new issues, the 12½-percent Treasury notes due in 1994 were offered at 99 22/32 to yield 12.68 percent, while the 12½-percent bonds due in 2014 were offered at 100½ to yield 12.45 percent.

Elsewhere in the credit markets, corporations continue to issue new notes and bonds at a more rapid pace than during the first six months of the year.

Among new financings an-

ounced on Friday, Salomon Brothers was sole underwriter for two note financings that offered investors the option of redeeming their securities before maturity. A \$100-million issue of Associates Corp. of North America subordinate notes due in 1994 was offered with a 12½-percent coupon and a four-year put provision.

The offering prices of the Associates and Beneficial issues were not disclosed, and both issues may have been offered at various prices.

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The United Press International newsroom at the agency's world headquarters in Washington.

### Outlook for UPI Is Clouded by Cash Shortage

By Alex S. Jones

New York Times Service

NEW YORK — United Press International, the worldwide news service that has survived more than 20 years of money-losing operations, is once again facing a serious cash shortage, largely brought on by the cost of covering the Democratic primaries, the political conventions and the Olympic Games.

The company has started to lay off employees as part of a restructuring effort that will provide short-term cost savings. The total number of jobs to be lost remains unclear. But according to many industry experts, the financial problem at UPI goes beyond finding enough cash to satisfy the current operating deficit. The company needs to be able to compete effectively with The Associated Press, a non-profit organization, as well as Reuters and other news services, and to

provide innovative services, those experts say.

Douglas F. Ruhe and William E. Geissler, who acquired UPI from E.W. Scripps Co. in 1962, say the cash deficit is a short-term problem and that they have the means to assure the company's success, even if new capital cannot be found immediately.

"We would willingly sell off every asset we own to assure the survival of UPI," said Mr. Ruhe, the company's managing director. He and Mr. Geissler, UPI's executive vice president, also own UPI's independent television stations in Chicago, in Providence, Rhode Island, and in Murfreesboro, Tennessee.

A darker view of the situation prevails outside the company. Some industry experts say it may be critical for UPI to find a major cash infusion quickly to speed improvements and make innova-

tions ahead of competitors. Others contend UPI has fundamental financial problems that even a large amount of cash is unlikely to solve.

But the industry experts and the company essentially agree on UPI's overall economic difficulty.

The company's basic news service, with its far-flung domestic and foreign bureaus and enormous communications costs, is too expensive ever to be more than marginally profitable.

The company says that of the \$112 million it will cost to operate UPI in 1984, more than \$20 million will be spent for communications and about \$80 million for costs related to gathering and processing the news.

To thrive, experts say, UPI must fashion

(Continued on Page 11, Col. 5)

### Optimism Growing on Defusing Latin American Debt Crisis

By James L. Rowe Jr.

Washington Post Service

WASHINGTON — Optimism is growing among banking experts that Latin American debt crisis can be defused.

The economies of the industrialized countries, led by the United States, are growing and they are buying billions of dollars of exports from developing countries. By doing so, they are providing the dollars that the countries need to pay their debts.

In addition, the austerity measures that Mexico and Brazil undertook in 1983 triggered severe recessions, but they appear to be ending.

It was two years ago Monday when Finance Minister Jesús Silva Herzog of Mexico stunned the international financial world when he announced that Mexico no longer could pay its debts on time.

The Mexican debt problem quickly grew into a Latin American debt crisis as one borrowing country after another — Brazil, Argentina, Venezuela, Peru, Chile, Ecuador — announced that its debt payments were far larger than it could afford. Other countries, such as the Philippines and Nigeria, face similar problems.

"I didn't know what to think," a high-ranking U.S. official said of Mr. Silva Herzog's announcement. "I worried that the international financial system was about to collapse." Much of the rest of the world shared this worry.

Debt payment remained a drain on Latin American nations' economies, and it will be years, if ever, before Mexico or Brazil, the region's two biggest debtors, return

to the heady growth that characterized their economies in the 1970s and early 1980s. Mexico and Brazil have debts totaling about \$90 billion and \$95 billion respectively.

Yet as the economic reality is improving, the political situation is deteriorating in Latin America, according to William R. Cline of the Institute for International Economics. He attributed the "paradox" to the "lagged effects" of the serious 1983 recessions and the rise in interest rates.

Rising rates not only make it more expensive for the countries to repay their outstanding loans, but also add to the general level of frustration among the citizens of the debtor countries.

Economists, bankers and political analysts long have worried that political instability, not financial inability, would trigger a debt repudiation by a major borrowing country.

Mr. Cline said that a new bank package being negotiated with

Mexico, which centers on long-term repayments with vastly easier terms, could go a long way toward easing the political pressures in Latin America.

Thus, Mexico, which led Latin America into the debt crisis, may be leading it out. The banks and Mexico are in the process of trying to negotiate longer periods in which the country is responsible only for interest payments, and for the principal payments.

A major sticking point in the talks is monitoring Mexico's economic policies. The International Monetary Fund has provided the imprimatur for nearly all the economic policies adopted by the countries during the peak of the crisis.

If the banks reschedule Mexico's debt for the next 10 years, they want to be assured that Mexico will continue to follow policies that will not get it into trouble again. The IMF traditionally has been a short-term solution. Whether an adjust-

ment in the IMF's role can be worked out or whether some new monitoring apparatus can be devised that is acceptable both to the banks and Mexico is at the crux of the negotiations.

There are potential developments that could transform the debt problem into a financial crisis again, however.

A renewed, severe recession could dry up demand for the commodities and industrial products of the developing countries. A surge in interest rates beyond what has been experienced so far could make debt payments unbearable politically and economically.

In addition, a steep, sudden plunge in oil prices from their already depressed levels would hurt Mexico and Venezuela while providing little help to other major debtors such as Brazil and Argentina.

Protectionism in industrial countries also could harm the recovery in developing countries.

### First Boston Inc. To Buy Amerace

The Associated Press

NEW YORK — First Boston Inc. will acquire Amerace Corp. in a leveraged buyout for \$47.50 a common share in a transaction valued at about \$163 million, both companies said.

The new corporation will be owned by a group of investors led by First Boston and including "certain senior executive officers and key employees of Amerace," First Boston said Friday. First Boston ended unchanged Friday on the New York Stock Exchange at \$30.50 a share.

Amerace, a maker of consumer and industrial goods, closed Friday on the NYSE at \$46.125, also unchanged.

The tender offer, which expires Sept. 14, is subject to bank-financing commitments and is conditioned upon the tender of securities representing or convertible into 51 percent of Amerace common shares.

### China Protests U.S. Textile Curbs

United Press International

WASHINGTON — China has asked the United States to reconsider new rules governing U.S. textile imports, suggesting they could damage two-way trade between the two countries.

A spokesman for a group of American retailers who oppose the textile regulations on Friday interpreted the letter as a veiled warning that China might retaliate by cutting its purchases of U.S. agricultural products.

The new administration regulations, scheduled to take effect Sept. 7, would change the rules dealing with the "country of origin" of textile and clothing imports entering the United States under country-by-country quotas.

If, for example, panels of sweaters are made in China and sewn together in Hong Kong, the new rules would charge them against China's quota instead of Hong Kong's, as in the past. Since China's quotas are in many cases filled before Hong Kong's, this could prevent the goods from entering the United States.

In a letter to the administration, Chinese ambassador Zhang Wenjin said the rules violate the bilateral textile trade agreement signed last year between the United States and China.

"Precise estimates of the trade from the People's Republic of China which would be adversely affected are not possible," the ambassador said, "but hundreds of

factories and around 60,000 jobs would be harmed in southern Chinese provinces alone.

"This would be a grievous blow to our industry, employment, trade and economic development."

The letter added: "We wish that any disruption in our trade will be avoided, but regrettably no one can be sure that a reverse trend in our two-way trade would not develop in case the United States does not fulfill its commitments to China."

Verrick French, executive vice president of the National Retail Merchants Association, said in a letter to Sen. Robert Dole, a Republican of Kansas, that the Chinese appeared to be an "indirect warning" of reduced purchases of U.S. farm goods.

Analysts expect the stocks to remain stable throughout the rest of the year but not to maintain the same rate of performance.

"These are not barn-burner securities," said Mr. Bain. "They offer a good steady return, they are reasonably predictable. If the market remains sound and interest rates

### Stocks of U.S. Regional Phone Firms Faring Well

By Elizabeth Tucker

Washington Post Service

WASHINGTON — Regional telephone company stocks have surprised many stock market analysts with a strong performance this year, and the abandoned offspring of Ma Bell are expected to continue their stable performances throughout the rest of the year.

"They've been unbelievable," said John S. Bain, an analyst at Shearson Lehman-American Express Inc. "The regional holding companies' stocks are up 9.4 percent since Dec. 30."

He added: "It's phenomenal performance, it's baffling."

Regional telephone company stocks, created by the breakup of the Bell system Jan. 1, took a dip immediately after the shares were issued in February. But over the past six months, the stocks have been climbing back.

The stocks were originally viewed by investors as less desirable than AT&T stock because it was thought the local telephone companies would not grow as fast as the Bell System. They are now perceived by analysts as stronger performers.

"At the beginning of 1982, when the breakup was announced, everyone felt that the regionals were the

dogs and AT&T was the plum," said Steven G. Christ, an analyst with Sanford C. Bernstein & Co. Inc., who held the reverse viewpoint.

"Over time," he said, "it became clear that the operating companies were the attractive portion."

As regional companies reported strong earnings and began to develop a track record, analysts began recommending telephone company stocks when the rest of the market was declining.

"People realized AT&T was more subject to poor performance than the regional telephone companies, and that AT&T was going to be a very volatile company in a very competitive industry," said Bradford L. Peery, an analyst at Hicks Peery Inc., a San Francisco investment banking firm specializing in telecommunications.

"Regional telephone companies," he said, "will be relatively stable, moderate-growth companies with the same kind of growth characteristics you used to attribute to AT&T."

Mr. Peery and other analysts attribute the strong performance of regional telephone company stocks to cost-cutting efforts such as cutting employees, growth in volume of calls handled by the local

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#### CURRENCY RATES

Local bank rates for Aug. 17, excluding fees.

Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates of 4 P.M. EDT.

	\$	£	DM	FF	Yen	Scd.	S.F.	Yen
Amsterdam	2.2258	122.28	347.1	118.24	15.48	125.85	123.91	15.48
Brussels	57.81	76.32	20.14	6.57	3.26	17.99	34.19	28.95
Frankfurt	1.9285	3.79	—	—	—	—	—	—
London (b)	1.322	—	1.4808	2.3238	2.35	3.16	318.85	—
Milan	1.7780	2.5275	618.97	201.21	—	548.70	26.41	7.31
New York (a)	—	1.324	2.46	3.7825	1.6780	3.23	57.75	2.385
Paris	6.7845	11.64	307.84	—	—	—	—	—
Tokyo	248.70	38.26	64.40	27.50	13.70	74.97	47.22	—
Zurich	2.5775	3.1484	82.34	27.10	0.1346	70.75	4.1134	—
1 ECU	0.782	0.997	2.278	4.802	1.3832	2.527	45.209	1.845
1 SDR	1.6031	0.7712	2.7194	6.9629	1.8859	3.791	58.949	2.431

#### Dollar Values

Per \$100 U.S. Dollars

	Per \$100 U.S. Dollars	Per \$100 U.S. Dollars	Per \$100 U.S. Dollars	Per \$100 U.S. Dollars
Swiss	1.481	1.481	1.481	1.481
Austrian Schilling	13.7603	13.7603	13.7603	13.7603
Belgian Franc	20.336	20.336	20.336	20.336
Canadian Dollar	0.7106	0.7106	0.7106	0.7106
Dutch Guilder	3.8067	3.8067	3.8067	3.8067
French Franc	6.5595	6.5595	6.5595	6.5595
German Mark	1.9364	1.9364	1.9364	1.9364
Italian Lira	2.0361	2.0361	2.0361	2.0361
Japanese Yen	107.36	107.36	107.36	107.36
Spanish Peseta	166.64	166.64	166.64	166.64
Swedish Krona	1.3460	1.3460	1.3460	1.3460

(a) Commercial rates (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) not quoted, N.A., not available

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390	200.130	140.040	24.00.20.00
400	9.941.50	17.5.9.25	—
410	—	6.25.7.75	14.00.16.00
420	—	4.00.4.00	10.00.12.00
430	—	3.00.3.00	8.00.10.00

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**For the Week Ending Aug. 17, 1984**

[illegible]

**Closing Prices Aug. 17, 1984**

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[illegible]

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## New Eurobond Issues

Issuer	Amount (millions)	Mat.	Coup. %	Price	Yield at offer	Price end week	Terms
<b>FLOATING RATE NOTES</b>							
Alohi Bank of Kuwait	\$50	1992	1/4	100	—	—	Over 6-month Libor. Minimum coupon 54%. Callable at par after 1987. Commission 0.50%.
Wells Fargo Int'l Financing	\$150	1994	1/16	100	—	99.60	Over 3-month Libor. Minimum coupon 54%. Callable at par after 1987.
<b>FIXED-COUPON</b>							
Beac, Stearns	\$60	1989	13	100	13	98.12	First callable at 101 1/4 after 1987 and at 100 1/4 after 1988. Backed by surety bond from Aetna Life & Casualty Co.
ERB	\$200	1996	13	100	13	97.88	Sinking fund starting in 1989 will produce a 8.5-yr average life. Noncallable.
Mellon Bank	\$100	1987	13	100 1/4	12.79	99.12	Noncallable.
Orient Leasing	\$30	1989	13	100 1/4	12.79	—	Noncallable.
Swedish Export Credit	\$250	1994	zero	32.925	11 1/4	31.25	Noncallable.
World Bank	\$200	1994	12 1/2	100	12 1/2	97.88	Noncallable.
World Bank	DK300	1994	8 1/4	100	8 1/4	99.75	Noncallable.
Kingdom of Denmark	£75	1994	11 1/4	100	11 1/4	97.63	Noncallable.
<b>EQUITY-LINKED</b>							
Konishiro ku Photo Industry	\$50	1999	open	100	—	98.00	Coupon indicated at 4%. Callable at 103 after 1990. Investor's put option at 108 after 1987. Convertible at an anticipated 5% premium. Terms to be set Aug. 22.
Nippon Kogyaku	\$60	1999	4	100	4	—	Callable at 103 in 1989. Convertible at a 5% premium. Increased from \$50 million.
Optec Dai-ichi Denko	\$30	1999	open	100	—	—	Coupon indicated at 3 1/2%. Investor's put option at 106 after 1989. Convertible at an anticipated 5% premium. Terms to be set Aug. 22.

## U.S. Bond Ruling Raises Questions

(Continued from Page 7)

payments, the system used in the Eurobond market, rather than the semiannual payments of the U.S. market. Some dealers see this as a valuable concession to European buyers; others dismiss it as a sop. A few dealers suggest that European investors will shy away from the targeted issues, preferring the greater liquidity of the Treasury market's mainstream.

At any rate, it is unclear whether there is much untapped demand for Treasury issues in Europe. Central banks long have been exempt from withholding tax on their U.S. government bondholdings. Other European investors have skirted the tax by selling the bonds just before interest payment dates.

Publication of the new Treasury rules is expected to answer some major remaining questions. Perhaps the biggest is how the Treasury will regulate bonds issued directly by U.S. corporations rather than through a Netherlands Antilles subsidiary.

Mr. Regan said that U.S. corporations will be able to issue bearer bonds for sale to overseas investors. But how will the government ensure that those bonds are not sold to U.S. citizens? At present, bonds issued directly by U.S. companies are subject to so-called backup withholding tax regulations. These rules require investors either to identify themselves when receiving payments or pay a 20-percent withholding tax. Con-

## Despite Lower Oil Price, Bonn Backs Coal-Gasification Work

By John Tagliabue

**BONN** — West Germany, the cradle of synthetic-fuel technology, is cautiously pressing ahead with its development of coal-gasification projects, despite depressed oil prices, which have generally halted such projects worldwide.

Ruhrkohle AG, Germany's dominant coal producer, is constructing Europe's first commercial-scale, coal-gasification plant. Rheinische Braunkohlenwerk AG, a Rhine Valley coal producer, is building a gasification plant near Cologne, and Klöckner Steel Products Co. plans to install a \$115-million gasification unit at a power station in West Berlin.

U.S. companies are profiting from some of the development. Several German plant-building companies, including Lurgi Gesellschaften and Krupp-Koppers GmbH, own processes used at some two dozen plants worldwide for turning coal into gas. The Ruhrkohle plant, which is being built in Oberhausen, near the heart of the Ruhr Valley coal-mining district, will convert some 750 tons of lignite into chemical feedstocks daily using a process developed by Texaco Development Corp.

Like the Reagan administration, which in 1981 shifted virtually all financing of synthetic-fuel programs to the private sector, the austerity-minded government of Chancellor Helmut Kohl has slashed funding for synthetic-fuel projects. Such projects had been emphasized after the 1974 oil crisis to reduce dependence on imported oil and sharpen Germany's competitive edge on the worldwide market for coal-processing equipment.

In 1981, for example, West German, the United States and Japan agreed to abandon a cooperative \$1.55-billion coal-liquefaction project planned for Morgantown, West Virginia, because of its rising cost. As coal euphoria subsided, Heinz Riesenhuber, the Minister for Research and Technology, postponed until 1985 a decision whether to build Germany's first large-scale liquefaction plant, and said the \$240 million budgeted for liquefaction activity in 1981-85 would cover mainly engineering studies and development of components.

As in the United States, European advances in coal liquefaction were cramped by depressed crude-oil prices, which made oil derivatives, such as gasoline, cheaper than similar fuels extracted from coal.

By contrast, progress in coal gasification has continued. In part, this is because the growing competitiveness of coal-derived, synthetic-gas products has spurred industry to assume a larger share of the financing burden from government. A cost analysis by Ruhrkohle for the years 1973-83 showed that while the average price of crude oil rose 6.9 times, and that of natural gas 7.3 times in the period, the cost of lignite increased only 2.5 times, and that of substitute natural gas 1.8 times.

Nevertheless, coal-derived gas products remain more costly, and less heat efficient, than natural gas and its derivatives. And European coal, which often lies at great depths under built-up areas, remains far more costly to extract than strip-mined coal from China, Australia or the United States.

Thus, government funding, both direct and indirect, remains considerable. Bonn is expected to contribute half the cost of the Klöckner gasification unit in Berlin. Bonn and the state of North Rhine-Westphalia will share part of the cost of Oberhausen, and spend about \$5 million annually in coal-price subsidies to keep the price of the domestic German coal for the plant at world prices.

Mr. Kohl's government, otherwise desirous of eliminating subsidies to private business, justifies the outlays as heightening Germany's technological edge; as saving jobs in the Ruhr, where unemployment runs as high as 15 percent, against 9 percent nationwide; and maintaining German coal, the nation's largest domestic energy source, as a future option, if oil prices rise.

## U.S. Firm Claims Monoclonal-Antibody Advance

By Stuart Diamond

**NEW YORK** — A biotechnology-research company says it has produced the first commercial levels of human monoclonal antibodies for the treatment of disease.

Leading experts Friday described the discovery by Genetic Systems Co. as very significant. Monoclonal antibodies are produced in a laboratory to seek out the substances that cannot be overcome by the body's own antibodies or on which vaccines cannot be used.

Nowinski, a respected microbiologist who is president of Genetic Systems and a pioneer in the development of human monoclonal antibodies.

In a series of interviews, Dr. Nowinski said he had produced human monoclonal antibodies at concentrations of more than 100 milligrams a milliliter, 20 to 100 times greater than previous laboratory production. He said he had used a proprietary process for which the company received a patent last week.

Dr. Nowinski said the process enables the production of a range of human antibodies a thousand times broader than with previous processes. That means that researchers would have a much better chance of finding specific antibodies that cure diseases, he said.

"The significance here is that we now have a practical method to make human antibodies for therapy," he said. "It is no longer on a laboratory scale, but on a commercial scale."

The company, which is based in Seattle, was founded in 1980. It had a 1983 loss of \$1.5 million on sales of \$6 million. Nelson M. Schneider, who follows biotechnology at E.F. Hutton & Co., said Genetic Systems is regarded as a company that "combines good science with good commerce." He added that the company is in the developmental stage and well financed and that it has good prospects.

The company's stock, traded over-the-counter, was quoted Friday at \$6.50 bid, down from \$17.75 at one point last year but up from \$4.75 about a month ago.

Genetic Systems has helped develop very rapid tests using monoclonal antibodies to detect major venereal diseases and it is developing diagnostic tests for other ailments.

Until now, only small amounts of human antibodies could be produced in the laboratory. The antibodies, which specify disease organisms in the body for destruction, are products of the recent biotechnology revolution. They are thought to hold the key to an eventual cure of diseases such as cancer.

The commercial breakthrough was made by a team under the direction of Dr. Robert C.

major killer of burn victims. The bacteria also infect people with chronic diseases such as cystic fibrosis and cancer. Dr. Nowinski said that small amounts of the antibody had cured pseudomonas infections in mice and that clinical trials were expected soon by Cutter Group of Miles Laboratories, a subsidiary of Bayer AG of West Germany. Cutter collaborated on the research.

Dr. Jeffrey Schlom, chief of the tumor-immunology laboratory at the National Cancer Institute and also a pioneer in human monoclonal antibody research, Friday called the innovation "very important."

Antibodies find and attack substances foreign to the body, such as viruses and bacteria. Until now, research has concentrated on monoclonal antibodies produced from mice for use in disease diagnosis. It has been shown that mouse antibodies, which can be produced in large quantities, have limited use in the treatment of humans.

Party of that amount will be converted into hydrogen, and the remainder, into oxo-alcohols and oxo-aldehydes, to be sold as chemical feedstocks.

According to John Moragne, vice president at Texaco Development Corp. in White Plains, New York, the Texaco process was chosen over several German systems in 1975, when Ruhrkohle installed a pilot plant to extract chemicals from residual oil products at the Oberhausen site, and was later adapted for coal.

Oberhausen will be the third plant to employ the Texaco process, he said. In Kingsport, Tennessee, Tennessee Eastman Co. opened a plant last year using the process to extract acetic anhydrides, used for the manufacture of film base. In Japan, UBE Nitrogen Co. recently inaugurated a plant using Texaco technology to produce synthetic-gas products. A fourth plant is being designed for construction in Sweden.

## Sales of Personal-Computer Software Fail to Reach Levels Forecast in U.S.

By Michael Schrage

**WASHINGTON** — Personal-computer software sales for both home and office machines are falling far below expectations, according to industry analysts, retailers and leading software publishers.

Tim Bajarin, an analyst with Creative Strategies, a San Jose, California-based personal-computer consulting and analysis firm said: "Maybe it's just the summer doldrums, but it's probably that the right kind of software isn't out there."

The sales slump has affected virtually every aspect of the personal-computer software market. While the billion-dollar market is still growing, it is growing at a slower rate than most analysts had projected.

Creative Strategies had predicted the business-software market would grow by more than 50 percent this year, but the revised estimate is closer to 40 percent growth. The company has halved its growth projections for home software.

Infocorp, another industry research company, has similarly revised its estimates.

"Things have really slackened off," said Robert M. Lefkowitz, Info-

corp's director of microsystems software research. However, he noted that sales for the best-known business-software programs, such as Lotus 1-2-3 and Ashton-Tate's Framework, remain strong.

"I think it's a summer lull," said Frank E. Schwartz, president of Simon & Schuster's electronic publishing group. "People are holding their breath and waiting. The problem is the industry itself; it puts out these unbelievable numbers. It hurts itself with all its shouting, because the expectations have become so high."

Mr. Schwartz forecast strong sales in January. Others in the industry are counting on the Christmas sales season to rescue their forecasts.

Mr. Bajarin of Creative Strategies says International Business Machines Corp.'s new PCjr home computer had been projected to sell close to 500,000 units this year.

"They'll be lucky to sell 180,000," he said, "and that has really affected a lot of software projections."

Mr. Lefkowitz said: "More than 50 percent of the personal-computer software sold is sold when the machine is purchased, or very shortly thereafter."

More important, people have not been buying as many software packages for their machines as some in the industry had expected.

"People are buying between three and five programs (for their computers), where it was anticipated that the numbers would be closer to seven to 10," said Mr. Bajarin.

Nikki Hardin, a software editor with the California-based Ashton-Tate, was more pessimistic. "We almost never hear about the home-computer aftermarket anymore," he said.

This drop in the market's growth rate is directly responsible for much of the software industry shakeout that has forced layoffs in such companies as Visicorp, Software Arts, Sorcim and Micropro International, as well as dozens of lesser-known software companies.

"The business is big and it's going to get bigger," said John Brockman, an agent who represents many leading software designers. "The problems now are simply ones of simple arithmetic. If there were 100 shelves and 20 publishers a year ago, there are 150 shelves and 150 publishers today. Most of the players are going to get burned."

However, Mr. Brockman conceded that the growth has not occurred quite as quickly as he had expected. "Publishers aren't just scared," he said, "they're terrified. It seems that the growth will be less exponential than had been forecast."

Much of the sales problem has been blamed on what many industry participants concede to be a glut of low-quality software.

Mr. Schwartz blamed incorrect marketing. "Product is being shipped back," he said.

## Thrift's Accounting Practices Are Described as Unusual

By Kenneth B. Noble

**WASHINGTON** — The Federal Home Loan Bank Board has said that the accounting practices used by Financial Corp. of America and challenged by the Securities and

Exchange Commission are not widespread in the thrift industry.

The company was forced by the commission to restate its second-quarter results to show a loss of \$107 million, instead of a profit of \$31.1 million.

The dispute involved government National Mortgage Association securities, which the company bought and immediately sold back to the initial holders, pledging to repurchase them at a future date.

At issue was the value of the securities on the company's books. The company carried them at the original commitment value; the SEC said they had to be carried at the market value.

Apparently concerned that Financial's much-publicized troubles would cause a ripple effect on the beleaguered thrift industry, the Home Loan Bank Board issued a four-paragraph statement Friday declaring that "relatively few institutions have engaged in these types of transaction and the impact on the industry is insignificant."

It said "institutions involved in typical reverse repurchase agreements will not be required to restate earnings based on the SEC position."

One official acknowledged, however, that the accounting process is "so complicated" that some institutions might not know whether their procedures were similar to the ones opposed by the SEC.

In any event, the official said the bank board staff was studying the issue and was expected to recommend guidelines for all savings and loan institutions that report to the board. This official added that the guidelines might differ from those of the SEC, which regulates about 200 holding companies that own savings and loan institutions.

## Hughes Aircraft Plans Georgia Assembly Plant

United Press International

**TUCSON, Arizona** — Hughes Aircraft Co. announced plans Friday to open an electronics assembly plant in Georgia because of growth in its tactical missile-production business.

Assembly work at the planned factory at LaGrange, 65 miles (105 kilometers) southwest of Atlanta, will be integrated with missile manufacturing operations at Tucson, according to D. Kenneth Richardson, president of Hughes's Missile Systems Group.

## U.S. May Act On Financial

(Continued from Page 7)

44 percent in the first six months of 1984.

Mr. Knapp has clashed with regulators over his company's extremely rapid growth and its aggressive fixed-rate mortgage lending.

The recent publicity over these problems and the company's worsening financial condition due to higher interest rates have combined to fuel a crisis of confidence that has cut cash flow, eroded institutional deposits and sent Financial's stock plunging. However, the stock closed up Friday on the New York Stock Exchange, gaining 50 cents a share to close at \$4.875.

Executives mentioned as possible candidates to succeed Mr. Knapp include Anthony Frank, chairman of San Francisco-based First Nationwide Savings, and William Popejoy, former president of Financial Federation, which was bought last year by Great Western Financial Corp.

Mr. Popejoy, who has been traveling the past year, recently said he is looking for the right opportunity to rejoin the financial-services industry. He could not be reached for comment Friday, while Mr. Frank declined to comment.

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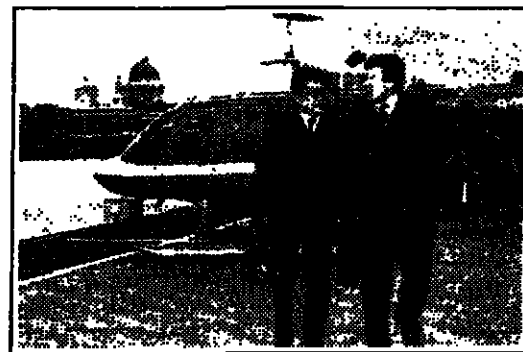
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**NASDAQ National Market**[illegible]

## Outlook for UPI Is Clouded by Cash Shortage

(Continued from Page 7)

new, and potentially highly profitable, information services from its current communications and news-gathering system.

It must also cut costs, but thereby runs the risk of diminishing its basic service and losing customers. For instance, some larger UPI clients feel that the company it has been hurt by the sale to Reuters in June of its foreign photo unit, which some clients considered to be one of UPI's best services.

Since May, UPI, which is privately owned, has released little financial information. It has been circulating a confidential investment memorandum prepared by G. William Miller & Co. of Washington, offering a 30-percent ownership in the company for \$12 million.

According to the memorandum, the money would be used to meet an estimated \$7-million operating deficit in 1984, pay overdue bills from companies providing services to UPI and fund an expansion into new information services. Sources within the company, who asked not to be named, said there have been discussions of interest, but no firm offers.

UPI had operating losses of nearly \$23 million in 1982 and 1983, according to the memorandum, and owes about \$9 million to companies providing services to UPI, such as American Telephone & Telegraph Co.

But the confidential document also predicts optimistically that the company could show a \$6.3-million operating profit in 1985, based on some success in slashing expenses such as high communications costs, increasing sales of its basic service, and creating some specialized information services, such as a new high-speed stock report. By 1987, the memo states, after-tax earnings are projected to be \$18.4 million.

Some experts say that UPI could carve an important niche in the highly competitive field of specialized information services, despite such competition as The Associated Press, Reuters, Dow Jones & Co., Telestar Inc., and on the technological side, International Business Machines Corp.

But they stress the opportunities are fleeting.

There are real possibilities for UPI to substantially improve its profitability by providing selective information on demand to customers other than newspapers," said Michael Tyler, chairman of CSP International, a consulting firm specializing in the information field.

The company has entered the special-services field with a several ventures, including a Spanish-language news service, a regional economic report and a service that provides news to cable-television systems.

Maxwell McCrohon, UPI's editor-in-chief, thinks UPI can become profitable. "I think we can make it without outside income," he said.

A more pessimistic view is held by some industry analysts who argue that, even with a large capital infusion, UPI's chances at long-term profitability are slim because of its limitations inherent in being the nation's No. 2 general news service behind The Associated Press, a news cooperative owned by its member print and broadcast organizations.

"UPI is attempting to be a profit-making enterprise up against a cooperative," said John Morton, an media analyst for Lynch, Jones & Ryan, a Washington, D.C., investment firm. "I don't think there is any way they can beat AP."

Mr. Ruhe and Mr. Geissler argue that UPI has made important strides in the last two years in winning new business, and the company cites record sales of \$24 million for the first half of 1984, with about \$30 million projected for the full year.

UPI counts sales as the total value of new, usually five-year, contracts for news and photo services that were signed during a calendar year. In many cases, the contracts do not become effective for up to two years because the newspapers' and broadcast stations' existing contracts, often with AP, must expire before UPI's services begin.

As a result, sales generally repre-

sent revenue in future years, and UPI estimates that this year's projected \$30-million sales would mean about \$3 million in new revenue in 1985, and more in following years.

To win new business, UPI has mounted an aggressive sales effort and offered significant discounts to prospective clients who agree to pay full fees by the end of the five-year contract period. At present, UPI's basic news and photo services, according to the booklet, for a newspaper of about 100,000 circulation cost \$2,545 a week. But many UPI clients do not pay full rates.

Aiding the sales effort has been a strong desire from many media executives to bolster UPI as an important second voice among general news services. And many say that the service has improved during the last two years. For instance, UPI's delegate count during the presidential primaries is frequently singled out for praise.

"I think that they're quite good in some areas, especially national and international news and sports," said Gene Roberts, executive editor of The Philadelphia Inquirer, a newspaper that had dropped UPI and resumed the service less than two years ago. "Essentially, we're glad to have them back," he said.

Much of UPI's gain has come from large news media organizations that have decided they could afford to resume UPI service because the last two years have been quite profitable for them.

But most media executives indicate their support might not extend to preventing UPI's failure.

Despite recent UPI gains, its rival, AP, dominates the nation's general news-service business. According to AP, of the nation's 1,695 daily newspapers, 1,302 subscribe to AP and 608 use UPI, with many of the larger newspapers taking various services from both. UPI projects that for 1984 it will show a net increase of 11 new newspapers using its services.

UPI now maintains 190 domestic bureaus and 70 abroad, and has about 2,000 employees, of whom

well over half are directly involved with gathering or processing the news.

From the time they acquired UPI in June 1982, Mr. Ruhe, 39, and Mr. Geissler, 38, have had to scramble for cash to keep the company going, while spending millions on capital improvements, such as installing telephone lines with satellite communications.

Such improvements represent savings in the long run and were central to their plans for future growth. UPI says it has now installed about 2,500 earth stations to receive its satellite transmissions, representing savings of about \$4 million annually.

The new owners decided that UPI should emphasize state and regional news coverage, and set out to distinguish itself from AP by trying to offer new specialization and flexibility to its clients. The company negotiated a new contract with the Wire Service Newspaper Guild that gave new latitude in shifting personnel. It announced last week that, over the next three years, it would shift jobs that involve processing news at central offices to news gathering from the field.

Contrary to rumors at UPI of a 5 to 15 percent cut in jobs, Mr. McCrohon, said last week that the restructuring effort was expected to affect 30 or 40 jobs, or 2 percent or less of UPI's employees.

Mr. Ruhe and Mr. Geissler also hired Mr. McCrohon and William J. Small, both seasoned news professionals, to lead the news side of the company, and the company is now offering new services, such as Custom News and Custom Data, to its regular clients.

To make ends meet, and in some cases, to eliminate unprofitable operations, UPI has sold or leased several of its operations.

UPI continues its try to strengthen its financial management. Just Wednesday it announced that J. Nogales, the executive vice president for administration, would become UPI's general manager, a move insiders at the company say is designed to firm financial planning and decision making.

**INTERNATIONAL CLASSIFIED**

**(Continued from Back Page)**

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*London, October 18-19, 1984.*

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## Trevino Clinging to 1-Shot Lead for the Final Round of PGA

By Mark Asher  
Washington Post Service

BIRMINGHAM, Alabama — After 53 holes of going for every six and making only one bogey, 44-year-old Lee Trevino got greedy Saturday as he stood in a fairway bunker on the 18th hole in the third round of the PGA Championship at Shoal Creek.

Let him describe how he hooked the ball into the water with a six-iron, took a double bogey and finished with a five-under-par 67 for a 4-hole total of 204. That left him a hot ahead of Lanny Wadkins (68) and two ahead of Gary Player (69), as playing partners, with whom he started the day tied for the lead.

"I got greedy with it," Trevino said. "I had no business going for green. There was a lip on the fairway. I wanted to lift it over the lip and hook it on the green, but I looked it in the water. I should have laid up with a seven- or eight-iron. If you gave me the shot over, I had to do it over, I'd do that, but I haven't laid up any shot all week."

Indeed, Trevino, who has not won a tournament in 24 years, decided to swing as hard as he could

at every drive. He was six under par after seven holes, and his only poor drive was his final one. "He really played an immaculate round of golf," said Player, who shot a 63 on Friday. "To end up that way was cruel."

But the double bogey hardly seemed to interrupt Trevino's serenity and his good feelings about his game, witnessed by a record crowd of 36,531 and a national television audience.

"I feel like I'm getting up to the age where nobody really expects that much out of my game any way," Trevino said. "That's why I feel like I'm in the driver's seat. They don't expect that much out of my game, and I really don't, either."

"I just go after every flag. I just shoot right at it, and if it comes off, it comes off. Like today, at No. 6, I had no business going with a three-wood to that green, because I couldn't reach it, and you got to land that thing in a little 10-foot circle or you got no shot."

"But I went with it anyway, and as a result, I ended up eagling it [by pitching in from 40 yards with a sand wedge]. And that's what I did at the TPC. I played conservative the first day and shot 76. Now I'm

shooting at every flag and forgetting about it. As a result, it paid off and hopefully it will pay off tomorrow."

A good player is a dangerous golfer when he does that and, despite the double bogey, Trevino's 12-under-par score broke Raymond Floyd's 54-hole PGA Championship record of 11 under. The 72-hole record is only nine under, by Bobby Nichols at Columbus in 1964. And, with the scores Shoal Creek has yielded the last two days because of soft greens and perfect conditions, the major tournament record of 17 under by Floyd and Jack Nicklaus at the Masters also is in jeopardy.

Hal Sutton, the defending champion who made the 36-hole cut by only a stroke, had Saturday's best round, a 64 that with better putting could have been in the 50s. Player said: "Any guy within seven shots can come out here and win the tournament."

Among the other 11 players in that group were such top players as Floyd (69-208), Seve Ballesteros (69-209), Hubert Green (66-210), Calvin Peete (69-210) and Sutton (211).

Donnie Hammond was in that

group, too, but could have been even closer. He was five under par Saturday and 10 under for the tournament through 14 holes. But he made an ugly double bogey (bad drive, bad second shot, bad chip) at the relatively easy 409-yard 15th, made two more bogeys and finished at 71-210.

Trevino, however, expects the winner to come from his own threesome, which again will include Player and Wadkins. Trevino: "I'll come down to who hits the most fairways, because Lanny and I will not back off from the driver."

Trevino says a victory here would mean more to him than the \$125,000 first prize. "Once you get up over 40 and you haven't won in so long, the question is always in the back of your mind, 'Are you capable of winning any more?' There's no doubt in my mind that I can."

In fact, Trevino says his game is better now than in the late 1960s when he won two U.S. Opens, two British Opens and his only PGA Championship.

"The only thing I've gained back that I didn't have in 1980 was my health," said Trevino, who underwent back surgery in 1982. "By

having the health back, I regained my confidence. . . I'm playing better than I did in the late '60s and early '70s. I don't think I could drive the ball as far back then as I can now. I definitely couldn't hit my irons as good. I can hit them higher and I can draw them now, as well as fade. And I'm putting like I did in the early '70s and late '60s."

In addition to his eagle at No. 6, Trevino birdied the 409-yard first hole from 10 feet, two-putted for birdie four at the 530-yard third, made a 15-footer for deuce at the 189-yard fifth, and left a 4-iron approach within 10 feet for his birdie on the 443-yard seventh hole. That put him at six under for the round.

On the 177-yard, eighth hole, Trevino missed a 5-footer for deuce. His only other birdie came at the par-5 11th when he came out of a greenside bunker and made an eight-foot putt. He hit every other green in regulation until the 18th, but the 10-foot birdie putt he missed at the 197-yard 16th was his only good birdie opportunity.

Player plays conservatively — "I'd rather hit a 5-iron from the middle of the fairway than a wedge from the rough" — but he praised

the driving skills and aggressiveness of both Wadkins and Trevino on this 7,145-yard course that severely penalizes errant drives.

"Wadkins, he reminds me of a young Arnold Palmer," Player said. "The only time Trevino misses the fairway is to answer the phone. He's the straightest driver I've ever played with in my career."

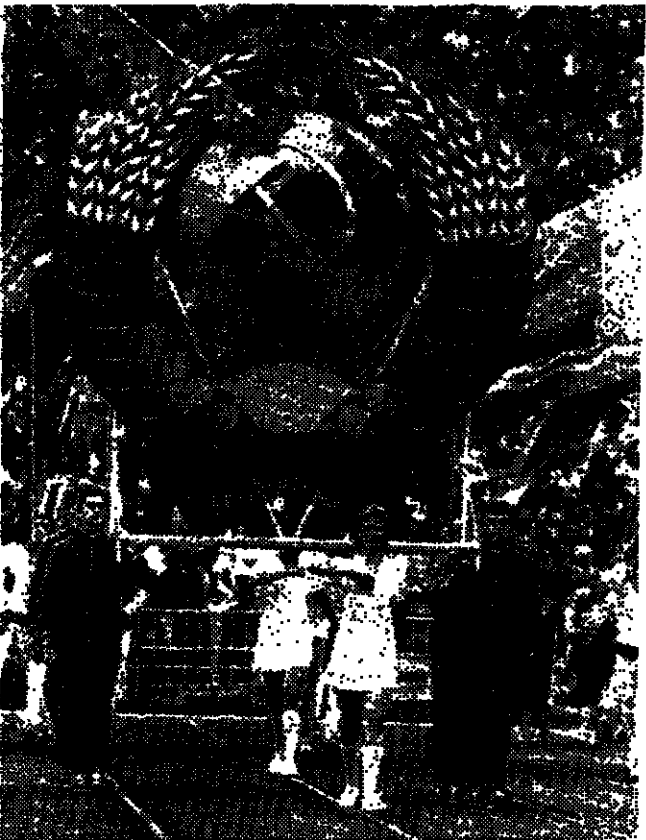
Both Wadkins and Player made nifty, scrambling pars on the final hole. Player needed a good sand shot from a fairway bunker and a smooth chip for his. Two holes earlier, Player made a 40-foot birdie putt from an angle on which he had to putt through fringe. He and his caddy forgot to take the pin out. Luckily, Trevino reminded him in time.

On the 18th, Wadkins saved his par from the deep rough just off the green, getting the club to eight feet and then making the putt.

It was a shaky day for Wadkins, the 1977 PGA champion. It took him more than an hour in bumper-to-bumper traffic to make the normal 10-minute trip to the course from his rented condominium. He had early birdie opportunities, but failed to convert them.



Lee Trevino using some body English during the PGA tournament. He was ahead by one after three rounds at 204.



Athletes paraded into Lenin Stadium in Moscow to mark the formal opening of the Friendship '84 Games on Saturday.

## In the Rain in Moscow, Men's Results Are Dreary

Compiled by Our Staff From Dispatches

MOSCOW — Male athletes armed in modest performances as their two-day track and field segment of the Friendship '84 Games ended Saturday.

After the recent Olympic performances in seven track and field events were bettered on Friday, only one Los Angeles standard was topped by the men Saturday.

Oleg Protsenko of Soviet Union on the triple jump with a leap of 7.46 meters, topping Olympic winning mark of 7.26 by Alwynn of the United States.

Alberto Juantorena of Cuba made farewell to major track and field competition by finishing in a dead heat for first in the 800 meters with Ryszard Ostrowski of Poland, at their time of 1:45.68 was modest, as were all the track results on a 3d and rainy evening.

In Prague on Saturday, Eastern Europe's powerful women athletes completed their portion of Friend-

ship-84 — a three-day rout of the marks set in Los Angeles. In the 100 and 200 meters alone, 12 Prague entrants bettered the results that won gold in California.

The Friendship '84 Games are designed as a counterpart for the Olympics and a showcase for Communist athletes who boycotted the Los Angeles events.

Although the competition began Friday, the official opening ceremony was held Saturday.

Thousands of gymnasts, folk dancers and athletes filled the field of Moscow's Lenin Stadium as and joined in singing: "Sunny peace — yes, yes, yes. Nuclear explosion — no, no, no."

Then, with the audience picking up the chant, the athletes shouted: "Sport, Friendship, Peace."

For the Soviet Union, who charged that the Los Angeles Olympics were marked by jingoism and U.S. chauvinism, the contrast was clear. (UPI, LAT)

## Lewis Finishes 4th As Baptiste Wins Fastest 300 Ever

Compiled by Our Staff From Dispatches

LONDON — In a stunning upset at the start of a five-nation, 10-day tour of Europe, Olympic superstar Carl Lewis finished fourth Saturday in a 300-meter race won by another American, Kirk Baptiste.

Baptiste, who finished second to Lewis in the 200 meters at the Summer Olympics, covered the distance in the fastest time ever, 31.71 seconds. The previous mark of 32.15 seconds was set last year, also in England, by Mel Lattany of the United States.

Lewis ran 32.18, behind Todd Bennett of Britain, who was second, and Walter McCoy of the United States, third. Because the 300 meters is not run in the Olympics nor recognized by the International Amateur Athletic Federation, Baptiste's time is not officially called a world record, but a "world's best."

The 300 meters is a distance that is rarely run. Lewis, the Olympic gold medalist in the 100 meters, 200 meters, long jump and 4x100-meter relay, had never competed at this distance before, even though it was he who suggested to the organizers of Saturday night's track meet that he run that event at the outdoor Crystal Palace sports center south of London.

Lewis held an early lead but seemed to fade noticeably with about 100 meters left when Baptiste pulled even with him.

Afterwards, Lewis said he "felt pretty good." The race, he said, was "a bit long" for him but that he was experimenting and wanted to try the longer run.

"But I'm not too worried," he said. "It's the first time I've run the distance, so I haven't the experience. Even so it's something of a shock. It brings you back to reality."

Lewis leaves Sunday for a 100-meter sprint in Budapest, then competes in the 100 meters Zurich on Wednesday, the long jump in Brussels on Friday and the 200 meters in Cologne on Sunday.

While Lewis found defeat in London, Greg Foster regained his peace of mind Friday night in West Berlin's Olympic Stadium.

Foster finished ahead of Roger Kingdom in the 110-meter hurdles, a reversal of the Olympic result in the same event.

Running with a sore right ankle and, even more debilitating, the self-doubt that sprang from his finishing second in the Olympics, Foster won in 13.16 seconds, best in the world this year, to beat Kingdom's personal best of 13.17. They were competing in fast company as five of the eight Olympic finalists were in the race.

"After the Olympics, all my friends said I was still No. 1 in their book," Foster said. "But for me to believe that, I had to prove it to myself."

Foster said that he had considered canceling his European tour and returning home because of the ankle sprain. But after the victory, he said that he not only decided to compete in Zurich Wednesday night but said he believed he could become only the second person to run under 13 seconds and challenge Renaldo Nehemiah's world record of 12.93.

Foster and Kingdom were among the few athletes who appeared at, or near, their best on a cool, overcast evening at the Olympic Stadium, site of the 1936 Summer Games.



Kirk Baptiste (9) winning the 300 meters ahead of Carl Lewis (1), who finished fourth.

Another was Evelyn Ashford, the Olympic champion in the women's 100 meters, who ran a 10.92 in the semifinals, her best time ever at sea level and the second-fastest time in the world this year, before winning in 10.94.

Both of Ashford's times were better than the 10.95 run by her East German rival, Marlies Gohr, Thursday night in winning at the Eastern bloc's Friendship Games in Prague.

East German newspapers made much of the fact in their Friday morning editions that Gohr's 10.95 Thursday night was better than Ashford's winning time of 10.97 at the Olympics.

Ashford and Gohr appear headed for a confrontation, perhaps as soon as Wednesday in Zurich. But Ashford refused to be drawn into a war of words.

West Berlin reporters repeatedly asked about her "big fight" with Gohr. "If you want to make it a big fight, then you can do that," Ashford said. "But I don't consider it a fight. It doesn't have to be that way. She's a competitor. I'm a competitor."

Most of the other athletes here complained either about jet lag, a post-Olympic letdown, or both.

One of those was Edwin Moses, who easily won his 106th consecutive race, his 91st consecutive final, in the 400-meter intermediate hurdles but was not particularly pleased with his time of 48.49. He has consistently run under 48 seconds.

Moses could have crossed across the finish line and still delighted the track fans here, who consider him an adopted son because of his marriage to a West Berlin woman. His every move, including removing his warm-up suit, was applauded. (WP, LAT)

## Twins Sweep a Pair From Red Sox To Move to 4-Game Lead in Division

United Press International

BOSTON — Bobby Castillo threw a one-hitter for six innings to help the Minnesota Twins open a four-game lead in the American League West with a 3-1 victory and a sweep of their Saturday double-header against the Boston Red Sox. In the opener, Mickey Hatcher's

trouble in each of the first two

innings.

White Sox 7, Blue Jays 6  
At Chicago, Harold Baines homered twice, and Vance Law drove in three runs, including the game-winning in the eighth inning, to lift the White Sox over Toronto, 7-6.

Tigers 4, Mariners 3

In Detroit, Kirk Gibson lined a tie-breaking three-run homer in the sixth inning and Juan Berenguer struck out a career-high 12 batters to power the Tigers past Seattle, 4-3. Gibson's 20th home run was his 15th game-winning hit of the season, a club record. Willie Hernandez finished for his 26th save.

Royals 5, Rangers 4

In Arlington, Texas, Buddy Biancalana hit his first major-league home run, helping Kansas City beat Texas, 5-4. Bud Black (12-10) went 8 2/3 innings, striking out five, allowing no walks and giving up eight hits. Mark Huisman relieved and picked up his second save. Danny Darwin dropped to 6-9.

Yankees 8, A's 0

In New York, John Montefusco

—making his first start since April 28 — combined with Mike Armstrong on a three-hitter, and Ken Griffey knocked in three runs to give the Yankees an 8-0 triumph over Oakland. Montefusco (1-2) allowed three singles before leaving at the end of six, having thrown 72 pitches. Armstrong pitched hitless relief over the final three innings for his first save.

Giants 6, Mets 5

In the National League, in San Francisco, Manny Trillo's sacrifice fly delivered Jeff Leonard with the tie-breaking run in the ninth inning, giving the Giants a 6-5 victory over New York. Randy Lerch (3-1) pitched the ninth for the victory.

Braves 8, Cardinals 3

In St. Louis, Dale Murphy went 5-for-5, hitting three doubles, and Glenn Hubbard added a three-run home run to power Atlanta past the Cardinals, 8-3. Murphy, with his second five-hit game of his career, became the first Atlanta player this season to score four times in one game. Danny Cox (6-10) took the loss.

Astros 5, Pirates 0

In Pittsburgh, Mike LaCoss scattered five hits and Jose Cruz and Denny Walling knocked in two runs apiece to give Houston its eighth straight triumph, a 5-0 decision over the Pirates. LaCoss (7-3) left the game after seven innings with a blister on the middle finger of his right hand.

Cubs 13, Reds 11

In Cincinnati, Ron Cey and Leon Durham drove in three runs apiece and Chicago capitalized on four errors and a balk by the Reds for seven first-inning runs on the way to a 13-11 victory. The decision, combined with New York's loss, raised Chicago's lead in the NL East to 2½ games.

Phillies 6, Dodgers 5

In Los Angeles, Mike Schmidt doubled to drive in two runs and start a four-run eighth-inning rally to carry Philadelphia to a 6-5 victory over the Dodgers. Jerry Kosman (13-10) snapped a three-game losing streak, allowing Los Angeles six hits and three runs in seven innings. He walked out and struck out seven. Al Holland threw the final 1½ innings to record his 26th save.

'66 Orioles Top Old-Time Stars

United Press International

BALTIMORE — Luis Aparicio led off the first inning with a double and scored to lift the 1966 Orioles to a 1-0 victory over a collection of Baltimore All-Stars in the team's 30th old-timers' game Saturday.

Hank Bauer, who managed the Orioles to their first World Championship when they swept the Los Angeles Dodgers in the 1966 World Series, managed his old team, Earl Weaver, who replaced Bauer in 1968 and retired in 1982, managed the All-Stars with Billy Hitchcock.

More than 40 former Orioles took part in the three-inning contest. They included Brooks Robinson, Robin Roberts, Steve Barber, Bob Turley, Don Larsen, Gus Triandos, Jim Gentile and Paul Blair, who made a running catch off Pat Kelly's drive.

In Baltimore, the Orioles scored an unearned run in their first time at bat to give right-hander Mike Boddicker the only run he needed in a 1-0 victory over California. The triumph was Baltimore's fourth straight over the Angels. The Orioles used the double play to pull Boddicker (15-8) out of possible

## Lauda Wins in Austria; Moves Atop Standings

The Associated Press

ZELTWEIG, Austria — Niki Lauda of Austria, cheered on by an overjoyed partisan crowd, drove a McLaren Porsche to victory today in the Austrian Grand Prix and took the lead in World Formula One Championship standings with four of 16 races to go.

Lauda's victory, before what organizers claimed was a record attendance of 150,000, was the first in an Austrian here. As he crossed the finish line, jubilant fans

tasted his name. Lauda, won the race in one hour and 21:12.851 minutes, ahead of reigning world champion, Nelson Piquet of Brazil, who controlled the competition up to the 10th of 52 laps when Lauda overtook him. Lauda was as far back as 10th after a slow start.

Piquet, driving a Brabham BT46, said afterward he had problems with his tires. He trailed the Lauda across the finish line by 15.25 seconds.

With his triumph, Lauda took a lead for the World Formula One title with 48 points, ahead of Alain Prost, his French teammate, who was forced to drop out Sunday. Prost has 43.5 points. Elio de Angelis of Italy, driving a Lotus-Renault, has 26.5 and Rene Arnoux of France, who drives a Ferrari, has 5.

"It certainly is the most fortunate event for an Austrian to win at home," Lauda said. But he cautioned reporters pressing him

about his chances to win the world championship for a third time: "We'll have to wait and see," he said.

Third in the race on the six-kilometer (3.7-mile) Osterreichring circuit was Michele Alboreto of Italy in a Ferrari, 48.998 seconds behind; fourth came fellow-Italian Teo Fabi in a Brabham-BMW, 56.312 seconds behind, and sixth was Switzerland's Arrows-BMW pilot Marc Surer, one lap behind.

Lauda said his victory was due to his choice of hard tires and bad luck of his closest rivals.

In the 26th lap, Prost spun out of the track on an oil slick and had to give up. "It was my luck that Prost skidded there," Lauda said. "I saw him going off so I braked and didn't hit the oil myself."

Lauda was third until Prost went off the track. Then he grabbed the lead from Piquet on the 39th lap and did not look back, always widening the gap between himself and the Brazilian.

Early in the race, Lauda was running sixth, behind Piquet, Prost, Patrick Tambay of France and Derrick Warwick of Britain.

But as the race went on, Lauda persistently surged ahead, moving to third before Prost's mishap. After overtaking Piquet, he started running slower.

"Suddenly I couldn't move into the fourth gear anymore," he said. "I thought, 'That's the end.' But I went on, moving from third to fifth gear all the time. I was lucky."



The Associated Press

## Giants Hand Jets 3d Straight Exhibition Loss, 20-14

Running back Rob Carpenter jumping to get a short-yardage first-down against the New York Jets was just one of the things that went right for the New York Giants as they defeated the New York Jets, 20-14, in an exhibition game. The Jets lost more than the game. Joe Klecko, the star defensive end who has been hampered by injuries for two seasons, fell down early in the contest. He was diagnosed as having a strained hamstring and will be sidelined for two to six weeks.

## Rose, in Lineup, Paces Reds' Victory

Compiled by Our Staff From Dispatches

CINCINNATI — Pete Rose had planned to pace the Cincinnati Reds' first baseman. But when 35,056 fans showed up Friday night at Riverfront Stadium for Rose's debut as a manager, the temptation was too much, and

up two hits in seven innings while striking out eight.

Los Angeles 2, Phillies 1

In Los Angeles, Steve Yeager's run-scoring single in the fourth inning capped a two-run rally that lifted the Dodgers over Philadelphia, 2-1.

Mets 2, Giants 0

In San Francisco, Wally Backman hit his first homer of the season, a two-run shot in the 10th, to give New York a 2-0 victory over the Giants.

Padre Chief Loses Suspension Appeal

United Press International

SAN DIEGO — Dick Williams, manager of the San Diego Padres, began serving a 10-day suspension Friday after Chub Feeney, the National League president, turned down his appeal. Williams was suspended with several others following brawls between the Padres and Atlanta Braves on Aug. 12.

Feeney did lift the three-day suspension that he had handed to Padre outfielder Bobby Brown. Feeney determined that Brown was not on the field at the time of the second bench-clearing brawl in the ninth inning.

Ozzie Virgil, the Padres' third-base coach, took over for Williams on Friday as the Padres lost, 8-4 to Montreal. Andre Dawson and Gary Carter hit homers for the Expos to back the seven-hit pitching of Steve Rogers and Jeff Reardon.

Cardinals 3, Braves 1

In St. Louis, Joaquin Andujar became the major leagues' first 16-game winner, and Chris Speier hit a home run to lead the Cardinals past Atlanta, 3-1. Andujar (16-11) gave

Rangers 8, Royals 6

In the American League, in Arlington, Texas, Dan Quisenberry surrendered a three-run homer to Pete O'Brien with two out in the ninth, allowing Texas to defeat Kansas City, 8-6.

Indians 5, Brewers 3

In Cleveland, Brett Butler singled home two runs, and Andre Thornton hit his 26th homer to give the Indians a 5-3 triumph over Milwaukee.

Twins 6, Red Sox 5

In Boston, Mickey Hatcher, Kirby Puckett and Tim Lincecum had three hits to pace a 16-hit attack that carried Minnesota past the Red Sox, 6-5.

Orioles 6, Angels 5

In Baltimore, Rick Dempsey hit a one-out sixth-inning homer to break a 5-5 tie, and Sammy Stewart came in to preserve the lead as the Orioles beat California, 6-5.

A's 7, Yankees 3

In New York, Dave Kingman hit his 30th homer and drove in three runs to help Oakland beat the Yankees, 7-3. Bill Krueger (8-9) went 6½ innings for the triumph.

Blue Jays 4, White Sox 3

In Chicago, Ernie Whitt's homer with two outs in the ninth lifted Toronto over the White Sox, 4-3.

Tigers 6, Mariners 12

In Detroit, Milt Wilcox (13-7) scattered seven hits over eight innings to pitch the Tigers to a 6-2 victory over Seattle. (LAT, UPI)



